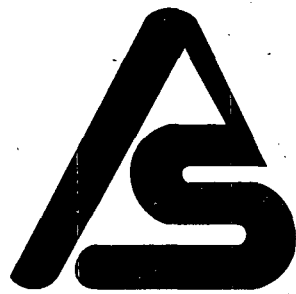


# **FIFTEENTH ANNUAL REPORT 2008-2009**



**Ace Software Exports Limited**

**BOARD OF DIRECTORS**

VIKRAM B. SANGHANI

Jt. Managing Director

SANJAY H. DHAMSAIA

Jt. Managing Director

DHARAMSHIBHAI R. VADALIYA

VIMAL KALARIA

TRUPTI LELE

**COMPANY SECRETARY**

N. I. THOMAS

**AUDITORS**

KALARIA & SAMPAT

Chartered Accountants

**BANKERS**

BANK OF BARODA

HDFC BANK LTD.

AXIS BANK LTD.

**FOREIGN COLLABORATORS**

APEX DATA SERVICES INC.,

U.S.A.

**REGISTERED OFFICE**

801, Everest Commercial Complex,

Opp. Shastri Maidan,

RAJKOT - 360 001.



**NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of **ACE SOFTWARE EXPORTS LIMITED** will be held at 801, Everest Comm. Complex, Opp. Shastri Maidan, Rajkot on Wednesday, 30<sup>th</sup> September, 2009 at 11.00 A.M. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To Appoint a Director in place of Shri Vikram Sanghani, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To Appoint a Director in place of Shri Dharamshibhai Vadalia, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

**Special Business:**

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as Ordinary Resolution:

**"Resolved that** the consent of the company, be and is hereby granted in terms of Sec 293(1)(a) and all other provisions of the Companies Act, 1956, if any, (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the company (hereinafter referred to as "Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), and the Board, is hereby authorized to sell, lease or otherwise dispose off the whole, or substantially the whole of the undertaking(s) of the company including sale or disposal of any investment in property/land and sale or disposal of any investment in the subsidiaries of the company including any land/property held by the subsidiaries."

6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule-XIII to the Companies Act, 1956 and other applicable provisions if any, the consent of the Company be and is hereby accorded to the re-appointment of Shri Vikram B. Sanghani as Jt. Managing Director of the Company for a period of 5(Five) years with effect from 29<sup>th</sup> March, 2010 on the terms and conditions including remuneration for a period of 3(Three) years, as are set out in the agreement to be entered into between the Company and Shri Vikram B. Sanghani (a draft whereof is placed before the meeting).

**"RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred as the "Board" which expression shall include the Remuneration Committee constituted by the Board) are authorized to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in the Schedule-XIII to the Companies Act, 1956 including any statutory modification or re-enactments thereof for the time being in force or as may hereinafter be made by the Central Government in that behalf from time to time or any amendment thereto as may be agreed to between the Board and Shri Vikram B. Sanghani."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule-XIII to the Companies Act, 1956 and other applicable provisions if any, the consent of the Company be and is hereby accorded to the re-appointment of Shri Sanjay H. Dhamsania as Jt. Managing Director of the Company for a period of 5(Five) years with effect from 29<sup>th</sup> March, 2010 on the terms and conditions including remuneration for a period of 3(Three) years, as are set out in the agreement to be entered into between the Company and Shri Sanjay H. Dhamsania (a draft whereof is placed before the meeting).

**"RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred as the "Board" which expression shall include the Remuneration Committee constituted by the Board) are authorized to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in the Schedule-XIII to the Companies Act, 1956 including any statutory modification or re-enactments thereof for the time being in force or as may hereinafter be made by the Central Government in that behalf from time to time or any amendment thereto as may be agreed to between the Board and Shri Sanjay H. Dhamsania."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Book will remain closed from 25<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (Both days inclusive).
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to bring their Attendance Slip alongwith the copy of the Annual Report at the meeting. The Members are further requested to send all their communication relating to the share registry work to the Share Transfer and Registrar Agent of the Company M/s. Intime Spectrum Registry Ltd. at their office situated at 211-Sudarshan Complex, Nr. Mithakhali Underbridge, Navarangpura, Ahmedabad - 380 009.
5. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividend amount which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend
31.03.2002	25.09.2002	24.09.2009
31.03.2004	30.09.2004	29.09.2011
31.03.2005	24.09.2005	23.09.2012

The shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the company immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such sums.

For & on behalf of Board of Directors,

**Vikram B. Sanghani**                      **Sanjay H. Dhamsania**  
 Jt. Managing Director                      Jt. Managing Director

Rajkot, Dated 31st August 2009

**Explanatory Statement**

(Pursuant to Section-173(2) of the Companies Act, 1956)

**Point No. 5**

The Management wishes to inform that your company had acquired property/land and anticipated its use in expansion of business operations. However, looking at current market scenario, the management wishes to dispose/self off these investments in property/land and make efficient use of funds in other opportunities that may become available.

As this proposal is in the interest of the company, the Board of Directors of the company recommends the passing of the said resolution as set out in the notice.

None of Directors of the Company are in any way, concerned or interested in the said resolution.

**Point No. 6 and 7**

The present term of office of Mr. Vikram B. Sanghani & that of Mr. Sanjay H. Dhamsania as Jt. Managing Directors shall expire on 28<sup>th</sup> March, 2010. The Board of Directors, at their meeting held on 31<sup>st</sup> July, 2009 have, subject to the approval of the shareholders, re-appointed, them as Jt. Managing Directors for a further period of 5 (five) years from the expiry of their term of office, on the remuneration determined by the Remuneration Committee of the Board of Directors.

The Draft Agreement between Company and the proposed appointees contains the following principal terms and conditions which have been approved by the Remuneration Committee of the Board of Directors:

**Term of Office:**

Mr. Vikram B. Sanghani and Mr. Sanjay H. Dhamsania shall be appointed as the Jt. Managing Directors for a period of 5 (Five) years w.e.f. 29/03/2010.

**Remuneration:**

The remuneration payable to Mr. Vikram B. Sanghani and Mr. Sanjay H. Dhamsania, individually as Jt. Managing Directors, shall be as under:  
 Salary to each Jt. Managing Directors: In the scale of Rs.100,000/- to Rs. 250,000/- per month with the authority of the Remuneration Committee to fix the salary within the scale from time to time.



**Commission:**

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of the each financial year, subject to the overall ceiling of 1.5 % of the net profits of the Company. The specific amount payable will be paid annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Shareholders.

**Perquisites:**

- All medical expenses incurred for self and family members shall be reimbursed.
- Leave Travel Concession for self and family will be allowed once in a year as may be sanctioned by the Board.
- Contribution to the Provident Fund, Super Annuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act, 1961.
- Provision for car for official purposes and telephone at residence.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- In the event of inadequacy or absence of profit in any financial year, he shall be paid the same remuneration as stated hereinabove, as minimum remuneration subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time.
- In the event of loss of office as Jt. Managing Director, they shall be paid compensation in the manner and to extent permissible under the provisions of section 318 of the Companies Act, 1956.
- If at any time any Jt. Managing Director ceases to be a Director of the company for any cause whatsoever, he shall cease to be Jt. Managing Director in terms of the Agreement and such Agreement shall terminate forthwith.
- The Jt. Managing Directors are appointed by virtue of their employment in the Company and their appointment is subject to the provisions of Section 283(I) of the Companies Act, 1956.
- The Agreement may be terminated by either party, by giving to the opposite party, six month's notice.
- The Agreement between the Company and Mr. Vikram B. Sanghani and that with Mr. Sanjay H. Dhamsania is available for inspection by the shareholders of the Company at its Registered Office during the business hours on any working day of the company.

Further Mr. Vikram B. Sanghani and Mr. Sanjay H. Dhamsania may be deemed to be interested in the resolution pertaining to their re-appointment and/or remuneration payable to them. Except as mentioned above none other Directors of the Company is, in any way, concerned or interested in the resolutions.

The information as required under Schedule-XIII Part-II Section-II 1 (B) (iv) is given as below:

**GENERAL INFORMATION:**

1	Nature of Industry	Computer Software and Services Exports.										
2	Date or expected date of commencement of commercial production	Not Applicable (The Company is an existing company).										
3	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus.	Not Applicable										
4	Financial performance based on given indicators	<table border="0"> <tr> <td style="padding-right: 20px;">Particulars</td> <td>Period</td> </tr> <tr> <td></td> <td>01-04-2008 to 31-03-2009</td> </tr> <tr> <td></td> <td>(Rs.In lacs)</td> </tr> <tr> <td>Total Revenue</td> <td>407.25</td> </tr> <tr> <td>Profit after Tax</td> <td>49.15</td> </tr> </table>	Particulars	Period		01-04-2008 to 31-03-2009		(Rs.In lacs)	Total Revenue	407.25	Profit after Tax	49.15
Particulars	Period											
	01-04-2008 to 31-03-2009											
	(Rs.In lacs)											
Total Revenue	407.25											
Profit after Tax	49.15											
5	Export performance and net foreign exchange collaborations	The Company had Foreign Exchange earning of Rs. 2,68,57,714/- during the financial year 01-04-2008 to 31-03-2009.										
6	Foreign investment or collaboration, if any.	The Company has no investment in any overseas entities. The Company has Business Collaboration with M/s. Apex Data Services Inc., U.S.A.										

**INFORMATION ABOUT THE APPOINTEE:**

Background details

Mr. Vikram B. Sanghani

Mr. Vikram Sanghani is a MBA from Jamanlal Bajaj Institute of Management Studies. He is the co-founder of the Company and has been with the Company right from the incorporation of the Company. He is having 18 years of

experience in the capacity of Managerial Person, in the field of Information Technology (IT) Industry. He was actively involved with the Capital and Forex Market during his brief stint at ICICI Ltd. before starting his own IT industry.

Mr. Sanjay H. Dhamsania

Mr. Sanjay Dhamsania has done M.S. (Computer Science) from Harvard University, Washington D.C., USA. He worked in the US as a programmer Analyst for some time. He is the co-founder of the company and has been with the company right from the incorporation of the company. He is having more than 17 years of experience in the Information Technology (IT) Industry in various capacities and has been involved in top level management since the beginning.

Past Remuneration

The past \*remuneration drawn by the proposed appointees for the last three year is as under:

Name	2006-2007 (in Rs.)	2007-2008 (in Rs.)	2008-2009 (in Rs.)
Mr. Vikram B. Sanghani	15,74,876	15,00,000#	14,25,579
Mr. Sanjay H. Dhamsania	15,74,876	15,00,000#	14,25,579

\* The remuneration includes salary other allowances and commission.

# The remuneration does not include commission.

Recognition or Awards

Mr. Vikram Sanghani is frequently called to seminars as a speaker on IT related topics. The Company also regularly features in news articles (e.g. The Times of India, dated 29<sup>th</sup> Jun. 2008, The Economic Times, dated 17<sup>th</sup> Nov. 2006, Indian Express, dated 25<sup>th</sup> July, 2004, The Economics Times, Saturday, 18<sup>th</sup> April, 1998, The Economics Times, Wednesday, 3<sup>rd</sup> January, 1996) and these proposed appointees are used to represent the company in various functions relating to the IT Industry.

Job Profile and their suitability

The job profile of the proposed appointees as mentioned in the earlier paragraphs indicates their suitability for the appointment, as Jt. Managing Directors of the company and it is imperative that they draw remuneration as proposed.

Remuneration proposed

All details are given in the earlier paragraphs of the explanatory statement.

Comparative remuneration profile

The comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) The comparative remuneration being paid, in other companies pertaining to the IT industries, with respect to the size of the company, shows higher rewards for the persons holding similar and responsible positions. The details of the average salary structure in the IT industry across different experienced groups is list out as under:

Groups having Years of Experience Category	Figures in Rs. Lacs			
	10 Years above	5 to 10 Years	2 to 5 Years	Less than 2 Years
IT Industry Average	32.00	9.00	5.00	3.00
Data Quest Top 10	34.00	8.00	5.00	3.00
Data Quest Top 5	42.00	9.00	5.00	3.00

\* IT Industry Average covers HR survey of 33 Software Companies.

# DQ Top 10 & 5 are the common companies that figure in both the DQ Top 10 and the HR survey.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

The proposed Jt. Managing Directors have no pecuniary relationship directly or indirectly with the company except to the extent of their shareholding in the Company.

OTHER INFORMATION:

Reasons for loss or inadequate profits

The Company has reported profits in the current year and it is expected to earn profit in the future years also. However, to keep pace with trends prevalent in managerial remuneration in the IT industry, there may be a situation of inadequate profits. The operations of your company are largely dependant on the intellectual inputs provided by the Jt Managing Directors, and it is imperative to compensate them at a level which matches industry practices. Furthermore, inadequate profits may also be attributable to the fact that your company is functioning in US outsourcing; a market which has not shown desired growth over last three years due to general unfavorable situation prevailing in their economy and also there is considerable exchange rate fluctuation in last year which affects the bottom-line of the company.

Steps taken or proposed to be taken for improvement

Your company is looking to acquire an existing business undertaking in India. This is expected to supplement the operations of your company and ultimately will boost your company's bottom-line in the years to come.

Expected increase in productivity and profits in measurable terms

A business growth of 5% is expected in the turnover in the next financial year thereby improving profitability of the Company.

For & on behalf of Board of Directors,

Vikram B. Sanghani Jt. Managing Director	Sanjay H. Dhamsania Jt. Managing Director
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Rajkot, Dated 31st August 2009



**DIRECTORS' REPORT**

To,  
The Members,  
Ace Software Exports Ltd.  
The Directors of the company have pleasure in presenting their **FIFTEENTH ANNUAL REPORT** together with the Audited Financial Statements of your Company for the Financial Year ended on **31<sup>st</sup> March, 2009**.

1. **Financial Performance:** (Rs. In Lacs)

Particulars	FY 2008-2009	FY 2007-2008
<b>Income from Operations &amp; other income</b>	<b>407.25</b>	<b>745.86</b>
Profit before Depreciation & other		
Write-offs and Taxations	60.79	376.56
Less: Depreciation & Write offs	8.92	103.82
Less: Provisions for Taxes	2.72	5.92
<b>Profit after Depreciation and Taxation</b>	<b>49.15</b>	<b>266.82</b>
<u>Amount of Appropriation:</u>		
Dividend including Tax thereon	0.00	27.38
Balance of Profit & Loss A/c. carried to the next year	770.51	791.30
<b>Earning per Share (in Rs.) Basic &amp; Diluted</b>	<b>1.05</b>	<b>5.54</b>

2. **Dividend:**  
In order to conserve funds for future use; your directors did not recommend any dividend for the financial year 2008-09.

3. **Performance:**  
During the financial year 2008-09, your company reported revenues from operations of Rs. 268.58 Lacs as against Rs. 306.84 lacs in the previous year. There is pressure on profit margins due to higher operating costs and exchange rate fluctuations. These impacted bottom-line of the company and profits after tax reported were Rs. 49.15 lacs as against Rs. 266.82 lacs in the previous year. It may be noted that last year's profits included large amount of non-operating income being profit on sale of equity shares of subsidiary company, which was a one-time gain only.

4. **Directors:**  
At the last AGM, Smt. Trupti Lele was appointed as independent director, since Shri Shyamal Sheth who retired at the said AGM did not offer himself for re-appointment. Apart from above there were no changes in the composition of the Board of Directors during the year under review. In terms of the relevant provisions of the Companies Act, 1956 and the Article of Association of the company, Shri Vikram Sanghani and Shri Dharamshibhai Vadalia, Directors of the company, retire by rotation at the forthcoming Annual General Meeting.

5. **Subsidiary Companies:**  
Section - 212 of the Companies Act, 1956, requires the Annual Report of Holding Company to include Directors' Report, Auditors' Report, Profit & Loss Account, Balance Sheet and Notes thereto of the Subsidiary Companies. During the year under review, your company incorporated five-fully owned subsidiaries namely Aspire Exim Pvt. Ltd., Cosmos Services Pvt. Ltd., Citizen Solutions Pvt. Ltd., Jubilant Exim Pvt. Ltd. and Speedwell Engineers Pvt. Ltd. There were no operations in newly formed subsidiaries for the year under review.

No.	Name of Subsidiary companies	Percentage stake owned by Ace Software Exports Ltd. (%)
1	Apex Advanced Technology Pvt. Ltd, Hyderabad	98.96%
2	Rajkot Computer Education Pvt. Ltd, Rajkot	100.00%
3	Aspire Exim Pvt. Ltd, Rajkot	100.00%
4	Cosmos Services Pvt. Ltd, Rajkot	100.00%
5	Citizen Solutions Pvt. Ltd, Rajkot	100.00%
6	Jubilant Exim Pvt. Ltd, Rajkot	100.00%
7	Speedwell Engineers Pvt. Ltd, Rajkot	100.00%

The Annual Report of Ace Software Exports Ltd. for the financial year 2008-09 includes Directors' Report, Auditors' Report, Profit & Loss Account, Balance Sheet and Notes to Accounts of above mentioned subsidiary companies.

6. **Auditors:**  
The Statutory Auditors M/s. Kalaria & Sampat, Chartered Accountants, shall retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment pursuant to Section-224 of the Companies Act, 1956. The Audit Committee have recommended the re-appointment of M/s. Kalaria & Sampat, Chartered Accountants, as the Statutory Auditors of the Company for the Financial year 2009-10 subject to the approval of shareholders at the ensuing Annual general meeting.

7. **Particulars of Employees:**  
There are no Employees, whose details are required to be mentioned as per section 217(2A) of the Companies Act, 1956.

8. **Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo:**

The company belongs to Information Technology sector, wherein there are ongoing efforts on part of management and employees to explore, learn, absorb and adopt new technologies. Your company operates in the business of Software Database Creation (e-Publishing) and does not have any conventional manufacturing or transforming activities. Hence, details of conservation of energy are not required to be furnished.

During Year 2008-09 the Foreign Exchange Earnings and Outgo of the company were as follows:

Foreign Exchange Earnings	: USD 5,85,511.63
Foreign Exchange Outgo	: USD 28,185.41 on revenue items
	: GBP 1,500.00 on revenue items

9. **Audit Committee:**  
In compliance of the provisions of the Section-292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges, the Audit Committee of the company comprises of the following Directors:

Mr. Vimal Kalaria  
Mr. Vikram Sanghani  
Mr. Dharamshibhai Vadalia  
Smt. Trupti Lele

The Audit Committee of Board of Directors reviews, acts and reports to the Board with respect to various auditing and accounting policies and also functions in accordance with the provisions of Listing Agreement and the Companies Act, 1956.

10. **Responsibility Statement:**  
As required under Section-217 (2AA) of the Companies Act, 1956, the Directors of the company hereby state and confirm:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the company at the end of the financial year and of the profits of the company for that period;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the annual accounts on a going concerns basis.

11. **Corporate Governance:**  
Your company has been consistently following the principles of good Corporate Governance over the years. A separate report on Corporate Governance alongwith the Auditors' Certificate on its compliance is attached as a part of the Annual Report.

12. **Management Discussion and Analysis Report:**

a. **Industry Structure & Development:**

The company's business relates to database creation (E-publishing) pertaining to Information Technology Enabled Services. This includes creating large volume of full text, image based data. The company continues to source its entire work from Apex Group, USA.

b. **Opportunity, Threats and Outlook Risk & Concerns:**

There has been a global slowdown in the IT industry. This has impacted outsourcing and your company continues to face this threat. Revenues and profitability will continue to be adversely affected.

c. **Segment/Product wise performance:**

The company's operation falls under single segment namely, "Computer Software and Services Exports", therefore segment wise performance is not furnished.

d. **Internal control systems and their adequacy:**

The Company has an effective Internal Control System in place and this is periodically reviewed for its effectiveness. There are well defined Power and Authority limits to ensure that assets of the Company are safeguarded and transactions are executed in accordance with the Corporate Policies. The company has a Cross-Functional Internal Audit team with pre-determined roles, responsibilities and authorities. The team ensures an appropriate information flow and effective monitoring. The findings and recommendations of the Team are reviewed by the Audit Committee periodically.

e. **Discussion on financial performance with respect to operational performance:**

The Financial Performance of the company, during the year under review, has been given separately in the Directors' Report.

f. **Material development in Human resources/Industrial relation front, including number of people employed:**

The company continues to maintain excellent industrial relations. It conducts training and educational programs as per the requirements of the organization which helps the employees to improve efficiency and in turn, increase the productivity. As a Human Resource Development policy your company endeavors to attract and retain best professional talent, by creating and providing a professional work culture in the organization.

13. **Appreciation:**

Your Directors take this opportunity to thank all investors, banks, regulatory and governmental authorities and Apex Covantage, LLC USA for their continued co-operation during the year. Your Directors sincerely acknowledges the significant contribution made by all the employees for their dedicated services to the Company.

For & on behalf of Board of Directors,

Vikram B. Sanghani      Sanjay H. Dhamsania  
Jt. Managing Director      Jt. Managing Director

Rajkot, Dated 30th June 2009



**CORPORATE GOVERNANCE**

**1. The Company's philosophy on Corporate Governance:**

The company attempts to achieve highest levels of transparency, accountability and equity in all facets of its operations and interactions with its stakeholders, employees and the government. On adoption of good corporate governance policies the organization moves to achieve its long-term goals efficiently.

**2. Board of Directors:**

Composition of the Board of Directors

The Board of Directors of the company as on 31<sup>st</sup> March, 2009 consists of Five directors out of which three (3) are Independent Non-Executive Directors and two (2) are Executive Directors. The composition of the Board and other relevant details relating to Directors are given below:

Name of Director	Category	No. of other Director Ship	No. of memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson	No. of Board meetings attended	Whether attended last AGM	Remarks
Vikram Sanghani	Ex-Dir	10	-	-	9	Yes	
Sanjay Dhamsania	Ex-Dir	10	-	-	9	Yes	
Trupti Lele	N.Ex-IND	5	-	-	3	No	
Vimal Kalaria	N.Ex-IND	7	-	-	7	Yes	
Dharamishi Vadalia	N.Ex-IND	5	-	-	5	No	

Ex-Dir means Executive Director, N.Ex.-IND means Non-Executive Independent Director.

**Board Meetings**

The Board of Directors met 9 times during the year 2008-09 on 04.04.08, 05.06.08, 30.06.08, 31.07.08, 21.08.08, 16.10.08, 30.10.08, 14.11.08 and 31.01.09.

**3. Audit Committee:**

The composition of the Audit Committee and details of the meetings as attended by the Members of the Committee are as given below:

Name	Designation	No. of Committee meetings attended
Vimal Kalaria	Chairman	4
Trupti Lele	Member	4
Dharamshibhai Vadalia	Member	4
Vikram Sanghani	Member	4

Mr. N. I. Thomas, Company Secretary, acts as the Secretary to the Committee.

The Audit Committee met 4 times during the year on 29.04.2008, 18.07.2008, 22.10.2008 and 26.01.2009.

**4. Remuneration Committee:**

The remuneration committee reviews and considers the matters in relation to salaries, benefits and other compensations payable to Directors and senior management personnel. The Remuneration Committee comprises of the following three Non-Executive-Independent Directors:

Name of Member	Designation	No. of Committee meetings attended
Vimal Kalaria	Chairman	2
Dharamshibhai Vadalia	Member	2
Trupti Lele	Member	2

Details of Remuneration paid to all the Directors:

The Executive directors are paid remuneration within the limit set out in the Schedule-XIII to the Companies Act, 1956 after consideration by the Remuneration Committee. The details of the remuneration paid are as under:

Name of Director	Salary (Rs.)	Medical Exp (Rs.)
Vikram Sanghani	13,50,000	15,000
Sanjay Dhamsania	13,50,000	15,000

The composition of Non-Executive Directors on the Board gives transparency in decision making and also fulfils the mandatory requirement of Corporate Governance norms. The company pays remuneration to Non-Executive Directors by way of sitting fees.

**5. Shareholders Committee:**

i. Composition

Your company has constituted Shareholders Committee, for looking after and redressing the shareholders' complaints. The members of the committee are as follows:

Name of Member	Designation	Category
Dharmshibhai Vadaliya	Chairman	Non-Exe. Independent Director
Vikram Sanghani	Member	Executive-Non Independent Director
Sanjay Dhamsania	Member	Executive-Non Independent Director

ii. Mr. N. I. Thomas, Company Secretary, has been designated as the compliance officer of the company.

iii. The Company has received 2 Complaints during the year 2008-2009 and the same have been satisfactorily attended to.

iv. No Investor complaints remained pending as on 31.03.2009.

**6. General Body Meetings:**

The details of the date, location, time and of the Special Resolutions passed off/in the last three Annual General Meeting (AGM) of the company are given below:

Date of AGM	Time	Venue	Details of Special Resolutions passed
29.09.2006	11.00-A.M.	801, "Everest" Opp. Shastri Maidan, Rajkot - 360 001	Approval for Buy-back of Shares * and under Section 293(1)(a) of the Companies Act, 1956.
25.09.2007	11.00 A.M.	801, "Everest" Opp. Shastri Maidan, Rajkot - 360 001	Approval of remuneration scale payable to both Jt. Managing Directors and under Section 394 of the Companies Act, 1956.
25.09.2008	11.00 A.M.	801, "Everest" Opp. Shastri Maidan, Rajkot - 360 001	Appointment of Smt. Trupti Lele as independent director per Sec 255 and 256 of the Company Act, 1956.

\*The Special resolution approving Buy-Back of Equity shares was passed through postal Ballot in accordance with Companies (Passing of Resolutions by Postal Ballot) Rules - 2001.



**7. Disclosures:**

- i. Significant related party transactions:  
There were no materially significant related party transactions, during the year-ended 31.03.2009 that may have any potential conflict with the interest of the company at large. Attention of the Members is drawn to the Disclosures of Transactions with Related Parties set out in Schedule-13 (Notes to Accounts) to the Accounts, forming part of the Annual Report.
- ii. There have been no instances of non-compliances, on any matter during the last three-years and hence no penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital market during the last three years.
- iii. The company through its internal control measures implements the Whistle Blower policy within the organization ensuring the access to the Audit committee by the personnel.
- iv. Your company has complied with all the mandatory requirement of the Clause-49 of the Listing Agreement and also attempt to adopt the non-mandatory requirement.

**8. Means of Communications:**

The Quarterly Results of the company are published in the leading English and Gujarati newspapers viz. Times of India (English) and The Economic Times (Gujarati) respectively. Moreover, the Quarterly and Audited Results of the company are also displayed on the company's Website ([www.acesoftex.com](http://www.acesoftex.com))

**9. General Shareholders information:**

**i. Annual General Meeting**

Date : 30<sup>th</sup> September, 2009  
Time : 11.00 A.M.  
Venue : 801-"Everest" Opp. Shastri Maidan, Rajkot - 1

**ii. Financial Year**

Tentative Schedule for the Financial Year 2009-2010:  
June 30, 2009 : July 2009 (4<sup>th</sup> Week)  
September 30 2009 : October 2009 (3<sup>rd</sup> Week)  
December 31, 2009 : January 2010 (3<sup>rd</sup> / 4<sup>th</sup> Week)  
March 31, 2010 : April 2010 (3<sup>rd</sup> / 4<sup>th</sup> Week)

**iii. Date of Book Closure**

25<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (Both days inclusive.)

**iv. Dividend payment date**

As the Board of Directors' have not recommended any dividend on equity shares for FY 2008-09, hence no dividend is payable to the shareholders.

**v. Listing on the Stock Exchanges**

The Bombay Stock Exchange Ltd., Mumbai.

**vi. Scrip/Stock Code**

531525 (The Bombay Stock Exchange Ltd., Mumbai)

**vii. Market price**

Month	High	Low
April-08	16.35	11.27
May-08	14.98	12.27
June-08	14.05	11.59
July-08	13.50	10.00
August-08	13.50	10.25
September-08	14.65	11.05
October-08	12.67	8.71
November-08	11.18	8.77
December-08	14.06	10.06
January-09	14.38	12.71
February-09	15.06	12.00
March-09	16.10	11.50

**ix. Registrar and Share Transfer Agent (RTA)**

M/s. Intime Spectrum Registry Ltd.  
211-Sudarshan Complex,  
Near Mithakhali Underbridge,  
Navrangpura,  
Ahmedabad - 380 009

**x. Share Transfer System**

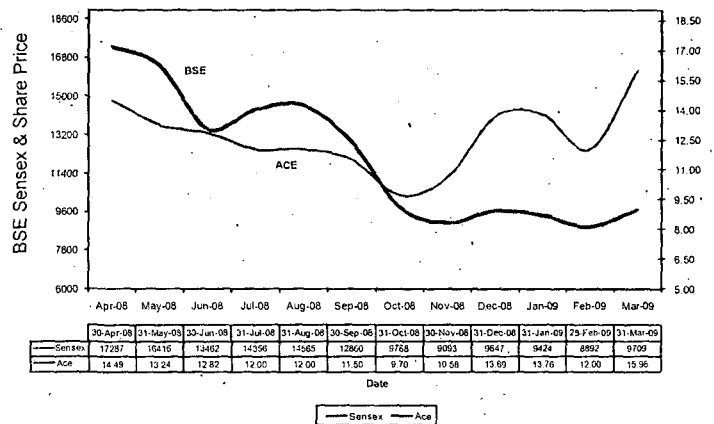
Your company has appointed the Registrar and Share Transfer Agent as named above to carry out the share registry work at the address given above.

**xi. Distribution of Shareholding (As on 31<sup>st</sup> March, 2009):**

Category	No. of Shares	Percentage (%)
Promoters	27,28,126	58.29
Private Corporate Bodies	98,678	2.11
Non Resident Indians/OCB	54,354	1.16
Indian Public	17,98,842	38.44
<b>Total</b>	<b>46,80,000</b>	<b>100.00</b>

**viii. Performance in comparison to BSE Sensex**

BSE Sensex Vs. ACE Share Price



**xii. Dematerialisation of Shares:**

The Equity Shares of the company are traded in the depository system of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on 31<sup>st</sup> March, 2009 51.02% of the Equity Shares of the company have been dematerialized.

**xiii. Outstanding GDRs/ADRs/Warrants:**

There are no outstanding GDRs/ADRs/Warrants as on 31<sup>st</sup> March, 2009

**xiv. Facility Location:**

1. 801, Everest Commercial Complex,  
Opp. Shastri Maidan,  
Rajkot - 360 001.
2. 801, Alaap - B,  
Opp. Shastri Maidan,  
Rajkot - 360 001.
3. 3<sup>rd</sup> Floor,  
Raj-Laxmi Commercial complex,  
16, Vijay Plot, Gondal Road,  
Rajkot - 360 001.

**xv. Address for Correspondence:**

The shareholders may correspond to the RTA on the above mentioned address and/or to the Company at Registered office of the company, as given below quoting respective Folio No./Client ID:

The Company Secretary,  
Ace Software Exports Ltd.  
801, Everest Commercial Complex,  
Opp. Shastri Maidan,  
Rajkot - 360 001  
Phone -(0281) 222 6097, 304 7851 Fax: (0281) 223 2918  
Email : [investorinfo@acesoftex.com](mailto:investorinfo@acesoftex.com)

**ANNEXURE TO THE DIRECTORS' REPORT  
AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

To the Members of  
**ACE SOFTWARE EXPORTS LTD.,**

We have examined the compliance of conditions of Corporate Governance by **Ace Software Exports Limited**, for the year ended on **31<sup>st</sup> March, 2009**, as stipulated in Clause 49 of the Listing Agreement of the Said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kalaria & Sampat,  
Chartered Accountants**

**Atul M. Kalaria  
Partner**

**Rajkot, Dated 30<sup>th</sup> June, 2009**





**Auditors' Report**

To  
The Members,

**ACE SOFTWARE EXPORTS LIMITED**

We have audited the attached Balance Sheet of **ACE SOFTWARE EXPORTS LIMITED**, as at 31<sup>st</sup> March 2009, and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2009, and taken on records by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
  - (b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date, and
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Kalaria & Sampat,  
Chartered Accountants

Atul M. Kalaria  
Partner

Rajkot, Dated 30<sup>th</sup> June 2009

**Statement on the Companies (Auditor's Report) Order, 2003**

To,  
The Members,

**ACE SOFTWARE EXPORTS LIMITED**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets and the going concern status of the company is not affected.
- (ii) The Company's nature of operation is such that the inventories cannot be physically verified. Accordingly, Clause 4(ii) of the Order is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, we are of opinion that the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating to Rs.5,00,000/- (Rupees Five Lac) or more during the year, in respect of each party have been made at prices which are reasonable having regard to prevailing market prices.
- (vi) The company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the company. Accordingly clause 4(viii) of the Order is not applicable.
- (ix) In respect of statutory dues:
  - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, value added tax, service tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, sales tax, value added tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute except as given below:

Name of the Statute	Nature of the due	Amount (Rs.)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,12,640	A.Y. 2006-07	Commissioner of Income Tax (Appeals)-1-Rajkot

- (x) In our opinion, the company has no accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and bank. The Company has not borrowed any sums through any debentures.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, Clause 4(xii) of the Order is not applicable.
- (xiii) In our opinion, the company is not a *Chit* Fund or a *Nidhi* /Mutual benefit fund/ society. Accordingly, Clause 4(xiii) of the Order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the shares, securities, debentures and other investments dealt or traded by the company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause (xv) of the Order is not applicable.
- (xvi) The Company has not obtained any term loans. Accordingly, clause 4(xvi) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, we report that no funds raised on short term basis have been used for long term purposes. Accordingly, clause 4(xvii) of the order is not applicable.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, Clause 4(xviii) of the Order is not applicable.
- (xix) The company has not issued any debentures. Accordingly, Clause 4(xix) of the Order is not applicable.
- (xx) The company has not raised any money by public issues during the year. Accordingly the Clause 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered Accountants

Atul M. Kalaria  
Partner

Rajkot, Dated 30<sup>th</sup> June 2009



**Ace Software Exports Ltd.**

**BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS		SCHEDULE	31.03.2009	(in Rs.) 31.03.2008
<b>I. SOURCES OF FUNDS :</b>				
(1) Shareholder's Funds :				
(a) Share Capital		1	46,800,000	46,800,000
(b) Reserves & Surplus		2	90,974,030	85,585,125
(2) Loan Funds :				
(a) Secured Loans		3	-	3,338,058
(b) Unsecured Loans				556,261
			<u>137,774,030</u>	<u>136,279,444</u>
<b>II. APPLICATION OF FUNDS :</b>				
(3) Fixed Assets :				
Gross Block		4	57,880,605	68,033,435
Less : Depreciation			35,582,096	34,747,027
Less : Impairment			7,100,000	7,100,000
Net Block			<u>15,198,510</u>	<u>26,186,408</u>
(4) Investments				
		5	47,230,523	53,146,583
(5) Current Assets, Loans & Advances :				
(a) Inventories		6	3,655,803	1,816,335
(b) Cash & Bank Balances			4,973,631	6,541,059
(c) Loans and Advances			70,673,725	57,700,119
			<u>79,303,159</u>	<u>66,057,513</u>
Less : Current Liabilities & Provisions :				
(a) Current Liabilities		7	2,501,848	1,996,121
(b) Provisions			1,456,314	7,114,940
			<u>3,958,162</u>	<u>9,111,061</u>
Net Current Assets			75,344,996	56,946,453
			<u>137,774,030</u>	<u>136,279,444</u>

NOTES TO ACCOUNTS 13

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER

RAJKOT, Dated 30th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA  
JT.MANAGING DIRECTOR

VIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR

N. I. THOMAS  
COMPANY SECRETARY

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS		SCHEDULE	31.03.2009	(in Rs.) 31.03.2008
<b>I. INCOME :</b>				
Sales & Services		8	26,857,714	30,684,241
Other Income		9	12,027,982	44,563,595
Stock Variance		10	1,839,468	(661,773)
			<u>40,725,164</u>	<u>74,586,063</u>
<b>II. EXPENDITURE :</b>				
Operating Expenses		11	20,604,073	25,172,338
Administrative Expenses		12	14,041,709	11,758,089
Depreciation/Amortization/Impairment Loss			892,336	10,382,469
			<u>35,538,118</u>	<u>47,312,896</u>
Profit before tax			5,187,047	27,273,166
Less : Provision for tax				
Current Tax			225,000	3,000,000
Deferred Tax				(2,485,854)
Fringe Benefit Tax			47,050	77,476
			<u>272,050</u>	<u>591,622</u>
Profit after tax			4,914,997	26,681,544
Add. : Profit & Loss Account B/fd. from last year			71,662,066	54,905,353
Excess Provision of earlier year written back			76,896	68,720
			<u>397,011</u>	<u>212,268</u>
Add. : Excess Provision of Dividend & Distribution Tax thereon				
<b>AMOUNT AVAILABLE FOR APPROPRIATION :</b>			<u>77,050,971</u>	<u>81,867,885</u>
Appropriations				
Dividend @ Rs.0.50 per equity share of Rs.10/-each				2,340,000
Tax on Distribution of Dividend				397,683
<b>Balance Carried Forward to Balance Sheet</b>			<u>77,050,971</u>	<u>79,130,202</u>

NOTES TO ACCOUNTS 13

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER

RAJKOT, Dated 30th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA  
JT.MANAGING DIRECTOR

VIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR

N. I. THOMAS  
COMPANY SECRETARY



## CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

	31.3.2009	(Rs. In lakhs) 31.03.2008
<b>A. Cashflow from Operating Activities</b>		
Net profit before tax and extraordinary items	52	273
<b>Adjustments for :</b>		
Depreciation & other non cash charges	40	104
Dividend Income	(30)	(25)
Surplus on sale of Investments/Assets (net)	(45)	(384)
Interest Income	(44)	(360)
Interest Expenses	-	-
Excess provision of earlier years	-	3
<b>Operating Profit before working capital changes</b>	<b>(26)</b>	<b>(65)</b>
<b>Adjustments for :</b>		
Trade and other receivables	(130)	(170)
Inventories	(18)	7
Trade Payables	(8)	20
Cash generated from Operations	<b>(183)</b>	<b>(208)</b>
Direct taxes paid (net of refunds)	(14)	(14)
Cashflow before extra-ordinary items	(197)	(222)
<b>Net cashflow from operating activities</b>	<b>(197)</b>	<b>(222)</b>
<b>B. Cashflow from investing activities</b>		
Purchase of Fixed Assets	(14)	(16)
Sale of Fixed Assets	135	14
Purchase of Investments	-	(120)
Sale of Investments	52	410
Interest Received	44	36
Dividend Income	30	25
<b>Net cash generated/used in investing activities</b>	<b>247</b>	<b>349</b>
<b>C. Cashflow from financing activities</b>		
Repayment of loans	(39)	(5)
Loans received	-	6
Buy back of shares	-	(75)
Interest paid	-	-
Payment of Dividend & Distribution Tax thereon	(27)	(30)
<b>Net cash generated/used in financing activities</b>	<b>(66)</b>	<b>(104)</b>
<b>Net increase in cash and cash equivalent</b>	<b>(16)</b>	<b>23</b>
<b>Cash and cash equivalent as at 31.3.2008</b>	<b>65</b>	<b>42</b>
<b>(Opening Balance)</b>		
<b>Cash and cash equivalent as at 31.3.2009</b>	<b>50</b>	<b>65</b>
<b>(Closing Balance)</b>		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

RAJKOT, Dated 30th June, 2009

SANJAY H. DHAMSANIA  
JT.MANAGING DIRECTORVIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR

## AUDITORS REPORT

We have examined the above cash flow statement and the same is in accordance with the SEBI requirement and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet covered by our report of even date.

For KALARIA & SAMPAT  
Chartered Accountants

ATUL M. KALARIA  
PARTNER

RAJKOT, Dated 30th June, 2009



**SCHEDULE - 1**

(in Rs.)

SHARE CAPITAL	31.03.2009	31.03.2008
<b>AUTHORISED SHARE CAPITAL :</b>		
60,00,000 Equity Shares of Rs.10/- each	60,000,000	60,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID-UP :</b>		
46,80,000 Equity Shares of Rs. 10/- each fully paid-up [Prev. Yr. 51,21,726 Equity Shares of Rs.10/- each]	46,800,000	51,217,260
Less : Buy back of 4,41,726 Equity Shares of Rs. 10/- each		4,417,260
	46,800,000	46,800,000
	<b>46,800,000</b>	<b>46,800,000</b>

**SCHEDULE - 2**

(in Rs.)

RESERVES & SURPLUS	31.03.2009	31.03.2008
Capital Reserve	675,261	675,261
Capital Redemption Reserve	10,200,000	10,200,000
General Reserve	3,047,798	3,047,798
<i>Profit &amp; Loss Account:</i>	77,050,971	79,130,202
Less : On account of Buyback of Shares [Rs. 44,17,260 being the nominal value of shares bought back transferred to Capital Redemption Reserve as per Section 77AA and Rs.30,50,876 being Premium paid on buyback of equity shares]		7,468,136
	77,050,971	71,662,066
	<b>90,974,030</b>	<b>85,585,125</b>

**SCHEDULE - 3**

(in Rs.)

SECURED LOANS	31.03.2009	31.03.2008
GIDC Loan [Secured by Mortgage of Land]		3,338,058
		<b>3,338,058</b>

**SCHEDULE - 4**

**FIXED ASSETS AS AT 31ST MARCH, 2009**

(in Rs.)

ASSETS HEAD	GROSS BLOCK				DEPRECIATION				IMPAIRMENT		NET BLOCK	
	OPENING BALANCE	ADDI- TIONS	DEDUC- TIONS	CLOSING BALANCE	UP TO 31.03.2008	FOR THE YEAR	UP TO 31.03.2009	AS ON 31.03.2008	ADDI- TIONS/ ADJUST.	AS ON 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
Lease Hold Land	10,236,846	1,037,902	11,274,748									10,236,846
Office & Residential Premises	11,673,342	140,344	140,344	11,673,342	1,838,372	190,276	-	2,028,648	-	-	-	9,644,694
Computers & Peripherals	28,434,485	90,788	14,615	28,510,658	25,528,921	199,023	6,900	25,721,044	1,700,000	-	1,700,000	1,089,614
Furniture & Fixtures	7,684,097	49,150	-	7,733,247	3,177,133	119,341	-	3,296,474	2,650,000	-	2,650,000	1,786,772
Office Equipments	6,505,108	68,944	110,250	6,463,802	2,607,175	52,915	50,367	2,609,723	2,750,000	-	2,750,000	1,104,079
Vehicles	3,499,557	-	-	3,499,557	1,595,425	330,781	-	1,926,206	-	-	-	1,573,351
	<b>68,033,435</b>	<b>1,387,128</b>	<b>11,539,957</b>	<b>57,880,605</b>	<b>34,747,026</b>	<b>892,336</b>	<b>57,267</b>	<b>35,582,096</b>	<b>7,100,000</b>	<b>-</b>	<b>7,100,000</b>	<b>15,198,510</b>
PREVIOUS YEAR	<b>67,861,822</b>	<b>1,616,676</b>	<b>1,445,063</b>	<b>68,033,435</b>	<b>31,686,086</b>	<b>3,282,469</b>	<b>221,528</b>	<b>34,747,027</b>	<b>-</b>	<b>7,100,000</b>	<b>7,100,000</b>	<b>26,186,408</b>



# Ace Software Exports Ltd.

SCHEDULE - 5				(in Rs.)		SCHEDULE - 6				(in Rs.)					
<b>INVESTMENTS</b>				No. of	31.03.2009	31.03.2008	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				31.03.2009	31.03.2008			
				Shres/Bonds/Units			<b>CURRENT ASSETS :</b>								
				fully paid-up			Finished Products				3,655,803	1,816,335			
<b>A. LONG TERM INVESTMENTS :</b>						[As taken, valued and certified by the Management]									
<b>Trade Investments</b>						Cash and Bank Balances :									
<b>In Equity Shares</b>						Cash On Hand				104,873	97,375				
<b>Unquoted, fully paid up</b>						Balances with Scheduled Bank :									
Ace Computer Education Private Limited				240	1,262,000	1,262,000	Current Accounts				1,199,297	2,756,363			
Rajkot Oilcake Private Limited				10	100	100	Dividend Accounts				761,546	779,407			
<b>In Equity Shares of Subsidiary Companies</b>						Deposit Accounts				2,907,915	2,907,915				
<b>Unquoted, fully paid up</b>						<b>LOANS AND ADVANCES :</b>									
Rajkot Computer Education Private Limited				1,000	496,960	3,596,960	(Unsecured & considered good unless otherwise stated)								
Apex Advanced Technology Private Limited				631,525	20,581,369	19,743,104	(a) Advances to Staff				37,606	39,100			
Aspire Exim Pvt. Ltd.				10,000	100,000	-	(b) Advances to Others				21,637,121	18,977,384			
Citizen Solution Pvt. Ltd.				10,000	100,000	-	(c) Other Deposits				7,301,984	7,308,284			
Cosmos Services Pvt. Ltd.				10,000	100,000	-	(d) Tax Deducted at Sources				266,275	254,914			
Jubilant Exim Pvt. Ltd.				10,000	100,000	-	(e) Interest Receivables				1,023,161	840,754			
Speedwell Engineers Pvt. Ltd.				10,000	100,000	-	(f) Advances Recoverable in cash or in kind or for value to be received				40,369,851	30,233,087			
<b>In Equity Shares Quoted, fully paid up</b>						(g) Pre-paid Expenses				37,727	46,596				
Bongaingaon Refinery & Petrochemicals Ltd.				1,700	113,968	113,968					<b>79,303,159</b>	<b>66,057,513</b>			
[1700 Shares Purchased during the year]															
<b>Total Value of Long Term Investments</b>						<b>22,954,397</b>	<b>24,716,132</b>								
<b>B. CURRENT INVESTMENTS :</b>						<b>SCHEDULE - 7</b>						(in Rs.)			
<b>Other Investments</b>						<b>CURRENT LIABILITIES &amp; PROVISIONS</b>						31.03.2009	31.03.2008		
<b>In Units</b>						Sundry Creditors :									
<b>Quoted, fully paid up</b>						For Expenses						1,602,500	1,101,878		
HDFC Cash Management Fund (Treasury Advantage Plan)				288,490	2,891,688	148,571	Others :								
[2454474 Units Purchased, 2180795 Unit Sold during the year]								Current Liabilities						1,175	1,175
HDFC Cash Management Fund (Weekly Dividend)								Tax Deducted at Sources						136,627	113,661
[2943 Units Purchased, 807913 Units Sold during the year]						8,558,928	Unclaimed Dividend						761,546	779,407	
Franklin India - Prima (Dividend Reinvestment Plan)				55,566	2,394,311	1,796,995	Provisions :								
[17083 Units Purchased during the year]								For Expenditure						1,025,794	1,171,236
Franklin India - Bluechip Fund (Dividend Reinvestment Plan)				107,370	3,415,934	2,547,901	For Income Tax						225,000	3,000,000	
[34228 Units Purchased during the year]								For Fringe Benefit Tax						3,100	7,500
Franklin India - Flexi Cap (Dividend Reinvestment Plan)				95,253	1,405,629	925,629	For Wealth Tax						202,420	198,521	
[43402 Units Purchased during the year]								For Dividend							
<b>Total Value of Current Investments in Mutual Funds</b>						<b>10,107,561</b>	<b>13,978,024</b>	For Tax on Dividend						397,682	-
Less : Diminution in value of Current Investments in Mutual Funds														<b>3,958,162</b>	<b>9,111</b>
<b>Net Value of Current Investments in Mutual Funds</b>						<b>10,107,561</b>	<b>13,978,024</b>	<b>SCHEDULE - 8</b>							
<b>In Bonds &amp; Debentures</b>						<b>SALES &amp; SERVICE</b>						31.03.2009			
<b>Unquoted, fully paid up</b>						Export Sales:						26,8			
Housing & Urban Development Corporation				4	2,000,000	2,500,000									
[Interest accrued Rs.1,80,000/- during the year]															
RECL 54EC Bonds				500	5,000,000	5,000,000									
<b>Investment in Property</b>															
Plot of Land at Munjka, Dist. : Rajkot						7,025,711	6,809,573								
Plot of Land at Sitvan, Dist. : Rajkot						142,854	142,854								
<b>Total Value of Current Investments</b>						<b>47,230,523</b>	<b>53,146,583</b>								

NOTE: During the year, the following current investments were purchased and sold:

500 Equity Shares of ICICI Bank at Cost of	Rs. 1,76,749
100 Equity Shares of Bank of Baroda at Cost of	Rs. 25,287
100 Equity Shares of GAIL at Cost of	Rs. 19,940
300 Equity Shares of IDFC at Cost of	Rs. 15,205
50 Equity Shares of L & T at Cost of	Rs. 40,025
100 Equity Shares of NTPC at Cost of	Rs. 13,596
300 Equity Shares of Power Grid at Cost of	Rs. 19,125
100 Equity Shares of Rolta at Cost of	Rs. 17,422
500 Equity Shares of RPL at Cost of	Rs. 42,401
50 Equity Shares of SBI at Cost of	Rs. 60,753
50 Equity Shares of TCS at Cost of	Rs. 25,730



Aggregate Market Value of quoted investment is  
Rs. 76.04 lakhs



## Ace Software Exports Ltd.

SCHEDULE - 10			SCHEDULE - 12		
(in Rs.)			(in Rs.)		
<b>STOCK VARIANCE</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	<b>ADMINISTRATIVE EXPENSES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Closing Stock	3,655,803	1,816,335	Rent,Rates,Taxes and Insurance	830,291	222,505
Less : Opening Stock	1,816,335	2,478,108	Repairs,Replacement & Maintenance	205,515	118,455
	<u>1,839,468</u>	<u>(661,773)</u>	Travelling,Conveyance & Vehicle	318,598	1,090,420
			Printing,Stationery,Postage & Xerox	542,147	702,151
			Legal & Professional Charges	1,353,317	717,669
			General Expenses	1,561,134	2,019,099
			Directors' Remuneration & Allowances	2,730,000	3,000,000
			Books, Periodicals & News Papers	75	375
			Freight / Octroi Expenses	-	238
			Electricity Expenses	706,299	1,021,577
			Internet Expenses	172,028	216,287
			Managerial Commission	121,158	-
			Loss on Sale of Fixed Assets	27,248	42,565
			Share Buyback Expenses	-	601,496
			Diminution in value of investment	3,100,000	-
			Case Settlement Expenses	10,000	-
			Corporate Expenses	2,363,899	2,005,253
				<u>14,041,709</u>	<u>11,758,089</u>

SCHEDULE - 11		
(in Rs.)		
<b>OPERATING EXPENSES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Salaries & Bonus	1,524,419	1,958,790
Staff Welfare Expenses	68,848	161,873
Software Sourcing Charges	18,899,940	22,812,205
Provident Fund/ESI/Gratuity	94,860	228,158
Training Expenses	16,006	11,312
	<u>20,604,073</u>	<u>25,172,338</u>

### NOTES TO ACCOUNTS

#### SCHEDULE - 13

**1 Accounting Policies:**

Accounts are prepared on the basis of Going Concern concept and under the Historical Cost Convention. The Company generally follows Mercantile System of accounting, recognizes Income & Expenditure on accrual basis in preparation of its accounts and complies with generally accepted accounting principals in India and relevant provisions of the Companies Act, 1956.

**01) Revenue Recognition:**

Revenue from the sale of software is recognized when the rendering of services under a contract is completed.

Dividend income is accounted on receipt basis.

Profit/Loss on sale of investments is recognized on sale of investments.

Interest on deployment of surplus funds is recognized using the time-proportion method based on interest rates implicit in the transaction.

**02) Expenditure:**

Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses. The company provides for leave encashment in the year of payment.

**03) Employee Benefits:**

Company's contributions paid/payable during the year to Employee State Insurance, Provident Fund and Gratuity are recognized in the Profit and Loss Account as per revised Accounting Standard 15.

**04) Fixed Assets, Intangible assets & Capital Work-in-Progress:**

Fixed assets are capitalized at acquisition cost including directly attributable cost of bringing the assets to their working condition for intended use. Intangible assets consist of expenses incurred/paid for acquisition of computer software.

**05) Depreciation:**

Depreciation has been provided on Straight Line Method in accordance with the rates and in the manner specified in schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

**06) Investments:**

Investments are classified into long term and current investments.

Long-term investments are carried at cost inclusive of all expenses incidental to their acquisition. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

Current investments are stated at lower of cost or fair market value.

The change in carrying amount of current investments, if any, is charged or credited to the profit and loss account as the case may be.

**07) Inventories:**

Inventories are valued only for final products at the rates contained in customers pro-forma invoice, as the sale is assured under a contract.

**08) Foreign Currency Transactions:**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense.

**Provision for Current & Deferred Tax:**

**Current Tax:** Provision is made for income tax on yearly basis, under the tax-payable method, based on tax liability, as computed after taking credit for allowances and exemptions.

**Deferred Tax:** Deferred tax liability or assets is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

**10) Impairment of Assets**

At each balance sheet date, the management reviews the carrying amount of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of the useful life.

**II Related Party Disclosure:**

Disclosure required as per Accounting Standard 18 (AS 18), "Related party disclosure" of the ICAI is as follows:

(in Rs.)

Particulars	Name of the Company/Associates	Subsidiaries	Associate	Key Management Personnel				Total
				Opening Balance	Receipt	Repayment	Closing Balance	
Receiving of Services	Apex Covantage, LLC		13,37,819					13,37,819
Software Exports	Apex Covantage, LLC		2,67,61,961					2,67,61,961
Leasing or Hire Purchase Arrangements	Ace Software Exports		42,000					42,000
Security Deposits Given	Ace Software Exports		65,00,000					65,00,000
Equity	Rajkot Computer Education Pvt. Ltd.	15,52,304						15,52,304
	Ace Computer Education Pvt. Ltd.		12,62,000					12,62,000
	Apex Advanced Technology Pvt. Ltd. - Hyderabad	2,05,81,369						2,05,81,369
	Aspire Exim Pvt. Ltd.	1,00,000						1,00,000
	Citizen Solution Pvt. Ltd.	1,00,000						1,00,000
	Cosmos Services Pvt. Ltd.	1,00,000						1,00,000
	Jubilant Exim Pvt. Ltd.	1,00,000						1,00,000
	Speedwell Engineers Pvt. Ltd.	1,00,000						1,00,000
Advance Against Purchase of Land	Ace Technologies		70,00,000					70,00,000
Loans from Key Management Personnel	Sanjay Dhamsania-JT MD			5,56,261	66,44,966	72,01,227	0	0
	Vikram Sanghani- JT MD				1,03,797	1,03,797	0	0
Interest Paid	Sanjay Dhamsania-JT MD							69,966
	Vikram Sanghani- JT MD							3,797
Directors' Remuneration	Sanjay Dhamsania-JT MD							13,50,000
	Vikram Sanghani- JT MD							13,50,000
Managerial Commission	Sanjay Dhamsania-JT MD							60,579
	Vikram Sanghani- JT MD							60,579
Reimbursement of Medical Expenses	Sanjay Dhamsania-JT MD							15,000
	Vikram Sanghani- JT MD							15,000
Loan to Subsidiaries	Aspire Exim Pvt. Ltd.	20,30,387						20,30,387
	Citizen Solution Pvt. Ltd.	20,50,482						20,50,482
	Cosmos Services Pvt. Ltd.	15,47,017						15,47,017
	Jubilant Exim Pvt. Ltd.	15,27,091						15,27,091
	Speedwell Engineers Pvt. Ltd.	25,42,842						25,42,842

**III Segment Reporting:**

The company's operations fall under single segment namely Computer Software and Services Exports, hence Segment wise information is not furnished.



**IV. Deferred Tax Liabilities/(Assets):**

Particulars	Current Year Charge/(Credit)
Difference between book and tax depreciation, etc. (Related to Fixed Assets)	10,04,410
Profit on Sale of Assets	20,44,656
Loss on Sale of Assets	(27,248)
<b>Net Timing Difference</b>	<b>30,21,818</b>
<b>Deferred Tax Liability</b>	<b>10,07,172</b>

The Deferred Tax Liability of the Current Year amounting to Rs.10,07,172/- has been set off against the Deferred Tax Asset of the Previous Year amounting to Rs.57,46,878/-. However no further deferred tax asset is recognized as there is no further certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**V. Earning Per Share (EPS) Calculation (basic and diluted):**

Particulars	Unit	2008-2009	2007-2008
a) Amount used as the numerator Profit after taxation	Rs. in Lac	49.15	266.82
b) Weighted average number of equity shares used as the denominator	No.	46,80,000	48,16,112
c) Nominal value of shares	Rs. in Lac	468.00	468.00
d) Earnings per share (Basic)	Rs.	1.05	5.54

**VI. Payment to Auditors**

Particulars	2008-2009	2007-2008
Statutory & Tax Audit	30,000	30,000
Income Tax matters	10,000	10,000
Services Tax	4,120	4,944
<b>Total</b>	<b>44,120</b>	<b>44,944</b>

**VII Earnings and Expenditure in Foreign Exchange**

Particulars	Unit	2008-2009	2007-2008
Export Value of Database Creation	US \$	5,85,511.63	7,65,658.07
<i>Expenditure in Foreign Currency :</i>			
— Capital Expenditure	US \$	NIL	NIL
— Revenue Expenditure	US \$	28,185.41	46,941.11
	GBP	1,500.00	

**VIII** The provisions of Industries (Development & Regulation) Act, 1951 relating to licensed capacity are not applicable to the company. The Company is engaged in the development of Software and production & sale of such software cannot be expressed in generic units.

**IX** Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for calculation of commission payable to Directors:

(Amount in Rs.)		
Net Profit before tax & Managerial Commission		<b>51,87,047</b>
Add: Depreciation as per accounts	8,92,336	
Loss on sale of fixed assets	27,248	
Diminution in Value of Investment	31,00,000	
Managerial Remuneration	27,30,000	
Wealth Tax	72,420	
Managerial Commission	1,21,158	<b>69,43,162</b>
Less: Depreciation as per Companies Act, 1956	8,92,336	
Profit on Sale of Investments / Fixed Assets	44,69,273	<b>53,61,609</b>
<b>Profit as per section 309(5)</b>		<b>67,68,600</b>
Managerial Commission paid to Directors		1,21,158
Remuneration and allowances under Companies Act, 1956 In accordance with Schedule-XIII Part-II		27,30,000
<b>Total remuneration and allowances paid to Directors</b>		<b>28,51,158</b>



# Ace Software Exports Ltd.

**X Gratuity Report Under AS-15 (Revised 2005) for year ended 31/03/2009**

	As on 31/03/2008	31/03/2009
<b>1. Assumption</b>		
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
<b>2. Table Showing changes in present value of obligation as on 31/03/2009.</b>		
Present value of obligations as at beginning of year		3,70,184.00
Interest Cost		29,615.00
Current Service Cost		23,264.00
Benefits paid		(27,692.00)
Actuarial (gain)/loss on obligations		13,976.00
Present value of obligations as at end of year		4,09,347.00
<b>3. Table Showing changes in the fair value of plan assets as on 31/03/2009.</b>		
Fair value of plan assets at beginning of year		3,79,422.00
Expected return on plan assets		31,847.00
Contributions		.00
Benefits paid		(27,692.00)
Actuarial gain/(loss) on Plan assets		Nil
Fair value of plan assets at the end of year		3,83,577.00
<b>4. Table Showing fair value of plant assets.</b>		
Fair value of plan assets at beginning of year		379422.00
Actual return on plan assets		31847.00
Contributions		.00
Benefits paid		(27692.00)
Fair value of plan assets at the end of year		383577.00
Funded status		(25770.00)
Excess of actual over estimated return on plan assets	NIL	
<i>(Actual rate of return = Estimated rate of return as ARD falls on 31<sup>st</sup> March)</i>		
<b>5. Actuarial Gain/Loss recognized.</b>		<b>As on 31/03/2009</b>
Actuarial (gain)/loss on obligations		(13976.00)
Actuarial (gain)/loss for the year – plan assets		NIL
Actuarial (gain)/loss on obligations		13976.00
Actuarial (gain)/loss recognized in the year		13976.00
<b>6. The amounts to be recognized in the balance sheet and statements of profit and loss.</b>		
Present value of obligations as at the end of year.		409347.00
Fair value of plant assets as at the end of the year		383577.00
Funded status		(25770.00)
Net asset/(liability) recognized in balance sheet		25770.00
<b>7. Expenses Recognized in statement of Profit and loss.</b>		
Current Service Cost		23264.00
Interest Cost		29615.00
Expected return on Plan assets		(31847.00)
Net Actuarial (gain)/loss recognized in the year		13976.00
Expenses recognized in statement of Profit and Loss		35008.00

XI Contingent Liabilities NIL

XII The outstanding balances as at 31.03.2009 in respect of certain Sundry Creditors, Loans & Advances and deposits are subjected to confirmation from respective parties and consequential reconciliation and or adjustments arising there from, if any. The Management, however, does not expect any material variation.

XIII According to the opinion of the Management the value of realization of current assets, loans & advances and other receivables in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

XIV Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable.

XV Schedules 1 to 13 form an integral part to the Financial Statements and have been authenticated.

*Signature to Schedule 01 to 13*

**AS PER OUR REPORT OF EVEN DATE**

**FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS,**

**ATUL M. KALARIA  
PARTNER**

RAJKOT, Dated 30th June, 2009

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS;**

**SANJAY H. DHAMSANIA  
JT.MANAGING DIRECTOR**

**VIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR**

**N. I. THOMAS  
COMPANY SECRETARY**



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.      State Code   Balance Sheet          
 DD MM YYYY

**II. Capital Raised during the year (Amount in Rs. '000)**

Public Issue	Rights Issue	Bonus Issue	Private Placement
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**III. Position of Mobilisation and Deployment of Funds (Amt.in Rs.'000)**

Total Liabilities	Total Assets
<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="4"/>	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="4"/>

Sources of Funds

Paid-up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans	Deferred Tax Liability
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Application of Funds

Net Fixed Assets	Investments	Net Current Assets
<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="8"/>	<input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="0"/>	<input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="5"/>
Misc. Expenditure	Accumulated Losses	
<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

**IV. Performance of the Company (Amount in Rs. '000)**

Total Income	Total Expenditure
<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="5"/>	<input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="8"/>
+ - Net Profit Before Tax	+ - Net Profit After Tax
<input type="text" value="+"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="7"/>	<input type="text" value="+"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/>
Earning per share in Rs.	Dividend %
<input type="text" value="1."/> <input type="text" value="05"/>	<input type="text" value="--"/>

**V. Generic Names of Three Principal Products/Services of Company**

Item Code No. (ITC Code)       -

Product Description

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA                      VIKRAM B. SANGHANI  
 JT.MANAGING DIRECTOR                      JT.MANAGING DIRECTOR

N. I. THOMAS  
 COMPANY SECRETARY

RAJKOT, Dated 30th June, 2009



STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956

(Rs. in lacs)

1. Name of Subsidiary	Rajkot Computer Education Pvt. Ltd.	Apex Advanced Technology Pvt. Ltd.	*Aspire Exim Pvt. Ltd.	*Citizen Solutions Pvt. Ltd.	*Jubilant Exim Pvt. Ltd.	*Speedwell Engineers Pvt. Ltd.	*Cosmos Services Pvt. Ltd.
2. Financial year of the subsidiary ended on	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009
3. Shares of the subsidiary held by the Company							
a) Number & face value of shares	1,000 Equity shares of Rs. 100/- each fully paid up	6,40,425 Equity shares of Rs. 10/- each fully paid up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up	10,000 Equity Shares of Rs.10 each fully paid-up
b) Extent of holding	100%	98.62%	100%	100%	100%	100%	100%
4. Net aggregate of profits / (losses) so far it concern the members of the subsidiary for the above financial year							
a) dealt with in the accounts of the Company for the current financial year.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) not dealt with in the accounts of the Company for the current financial year	(0.01)	19.46	Nil	Nil	Nil	Nil	Nil
5. Net aggregate of profits / (losses) so far it concern the members of the subsidiary for the previous financial years							
a) dealt with in the accounts of the Company for the previous financial year	Nil	Nil	N.A.	N.A.	N.A.	N.A.	N.A.
b) not dealt with in the accounts of the Company for the previous financial year			N.A.	N.A.	N.A.	N.A.	

\* These companies were incorporated during the financial year 2008-09. None of these companies have commenced commercial operations and hence no Profit & Loss Account has been prepared for the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA  
J.T.MANAGING DIRECTOR

VIKRAM B. SANGHANI  
J.T.MANAGING DIRECTOR

N. I. THOMAS  
COMPANY SECRETARY

RAJKOT, Dated 30th June, 2009



Directors' Report

**To the Members :**

We have pleasure in submitting the 13<sup>th</sup> Annual Report of the Company together with the audited statements of accounts for the period ended 31<sup>st</sup> March 2009.

**Financial Results :**

The Company has made a profit of Rs. 19,46,444 after providing for income tax.

**Operations :**

The company did not commence its suspended business operations.

**Auditors :** M/s Gandhi & Gandhi Chartered Accountants, auditors of the Company, retire and being eligible, offer themselves for reappointment.

**Employees :**

The Company did not have any employee during year, whose particulars are required to be disclosed under section 217 (2A) of the Companies Act, 1956.

**Directors' Responsibility Statement :**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors place on record a Responsibility Statement stating that :

- (i) In the preparation of the accounts, the applicable accounting standards have been followed.
- (ii) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of the affairs of the company as at end of the financial year and of the profit of the company for the year ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- (iv) The annual accounts of the company have been prepared on a going concern basis.

**Energy Conservation, Technology absorption and Foreign Exchange :**

- **Energy Conservation :** This provision is not applicable as the company does not belong the category of the companies that are required to disclose the particulars as required under section 227(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors ) Rules, 1988.
- **Technology absorption :**  
This provision is not applicable as the company did not carry out any R & D activity during the year.
- **Foreign exchange earnings and outgo :**  
This provision is not applicable as the company did not carry any foreign trade nor incurred any expenditure in foreign currency during the year.

**Acknowledgement :**

The Directors of the company wish to place on record their appreciation for the devoted services rendered by the executive and staff members at all levels. The Directors also wish to acknowledge cooperation extended to it by its Bankers and STPI Hyderabad.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

June 25, 2009



**AUDITORS' REPORT**

To  
The Members,  
**APEX ADVANCED TECHNOLOGY PRIVATE LIMITED**  
Hyderabad

1. We have audited the attached Balance Sheet of **Apex Advanced Technology Private Limited** as at March 31, 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto for the period ended on that date. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4A of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to in para 3, we report that :

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books and the information received from the Company.

- (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (d) In our opinion the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in sub-section 3C of section 211 of the Companies Act, 1956.
- (e) On the basis of the written representation received from the Directors, as on the year end and taken on record by the Board of Directors, we report that none of the directors is disqualified as on the year end from being appointed as director's under clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India :
  - (i) in case of the Balance Sheet, of the state of affairs as at March 31st, 2009
  - and
  - (ii) in case of the Profit and Loss account, of the profit for the year ended on that date.

For **Gandhi & Gandhi**  
Chartered Accountants

**Rama Mohan Giri**  
Partner

**Dated 25th June, 2009**

**Annexure**  
referred to in paragraph 3 of our report of  
**Apex Advanced Technology Private Limited**  
FY 2008-09

We further report that :

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) No substantial part of the fixed assets have been disposed off during the year that would effect the going concern.
- (ii) The company is neither a trading nor a manufacturing concern; it does not have any inventory. Hence physical verification of stock does not arise and the sub-clauses (a), (b) & (c) are not applicable.
- (iii) The company neither granted loans nor has borrowed any loans, secured or unsecured to / from the companies, firms or other parties listed in the register maintained under section 301 of the of the Companies Act, 1956. Hence the sub-clauses (a), (b), (c) & (d) are not applicable
- (iv) On the basis of the checks carried out during the course of the audit and as per the information and explanation given to us there are adequate internal control procedure commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and sale of goods. No major weaknesses in the internal control were noticed.
- (v) (a) According to the explanation and information given to us there were no transaction that needs to be recorded into the register maintained under section 301 of the Companies Act, 1956.
- (b) There were no transactions that were made in pursuance of contract or arrangement recorded in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs. 5 lakhs in respect of any party during the year.
- (vi) The company has not accepted deposits from the public.
- (vii) In our opinion, the Company has adequate internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanation given to us the company is not required to maintain any cost records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) The Company has been regular in depositing the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, cess and other statutory dues with the appropriate authorities.

- With respect to the dues relating to Investor Education & Protection Fund, Wealth Tax, Customs Duty and Excise Duty, we were informed by the management that the provision of these laws did not apply to the company.
- (b) According to the information and explanation given to us, there were no disputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and cess.
  - (x) The accumulated losses as at the year-end are not in excess of 50% of its net worth. The company has not incurred cash loss during the financial year covered by our audit and immediately preceding financial year.
  - (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank. The company has not borrowed any funds by issue of debentures.
  - (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debenture and other securities.
  - (xiii) As the company is not a chit fund or a nidhi, mutual benefit fund / society, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
  - (xiv) As the company is not engaged in business of dealing in shares, securities, debentures and other investments the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
  - (xv) According to the information and explanations given to us and the records maintained by the company has not given any guarantee for loans taken by others from banks or financial institutions.
  - (xvi) The company has not borrowed any terms loan.
  - (xvii) The company has not borrowed any funds.
  - (xviii) The company has not made any preferential allotment of shares during the year under audit to parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (xix) The company has not issued any debentures.
  - (xx) No public issue of shares was made by the company.
  - (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **Gandhi & Gandhi**  
Chartered Accountants

**Rama Mohan Giri**  
Partner

**Dated 25th June, 2009**



**Apex Advanced Technology Pvt. Ltd.**

**BALANCE SHEET AS ON 31ST MARCH, 2009**

(in Rs.)

PARTICULARS	SCHEDULE	31.03.2009		31.03.2008	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>Sources of funds :</b>					
Shareholder's Fund :					
Share Capital	1		6,404,250		8,539,000
Reserves & Surplus	2		<u>30,150,380</u>		<u>37,412,685</u>
			<u>36,554,630</u>		<u>45,951,685</u>
<b>Application of funds :</b>					
Fixed Assets	3				
Gross Block			4,682,338		4,682,338
Less : Accumulated Depreciation			<u>3,836,433</u>		<u>3,607,678</u>
Net Block			845,905		1,074,660
Investments	4		1,527,924		7,080,195
Current Assets, Loans & Advances					
Cash & Bank Balances	5	487,567		449,899	
Loans & Advances	6	31,883,436		36,803,436	
Other Current Assets	7	<u>1,817,454</u>		<u>675,814</u>	
			34,188,457		37,929,149
Less :					
Current Liabilities & Provisions					
Liabilities	8	174,464		126,958	
Provisions	9	<u>4,325</u>		<u>5,361</u>	
			178,789		132,319
			34,009,668		37,796,830
Add : Deferred Tax Asset			<u>171,133</u>		
			<u>34,180,801</u>		<u>37,796,830</u>
			<u>36,554,630</u>		<u>45,951,685</u>
Accounting Policies	13				
Notes to Accounts	14				

Schedules referred above forms integral part of accounts.  
Subject to our report even date.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

FOR GANDHI & GANDHI  
CHARTERED ACCOUNTANTS

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAMA MOHAN GIRI  
PARTNER  
June 25th, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(in Rs.)

PARTICULARS	SCHEDULE	31.03.2009		31.03.2008	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>INCOMES :</b>					
Exports					
Others	10		2,363,207.81		4,375,553.32
			<u>2,363,207.81</u>		<u>4,375,553.32</u>
<b>EXPENSES :</b>					
Direct Expenses	11		117,200.00		2,852,255.04
Administrative Expenses	12		56,644.68		3,445,040.80
Depreciation			228,755.00		339,760.00
			<u>402,599.68</u>		<u>6,637,055.84</u>
Profit before Tax			1,960,608.13		(2,261,502.52)
Less : Provision for Income Tax - Current Year			180,972.00		-
Provision for Income Tax - Earlier Years			-		5,337.00
Provision for Fringe Benefit Tax - Current Year			4,325.00		5,361.00
Provision for Fringe Benefit Tax - Earlier Years			-		1,041.00
Deferred Tax Liability / (Asset)			<u>(171,133.00)</u>		-
			14,164.00		11,739.00
Profit transferred to Profit & Loss Appropriation Account			<u>1,946,444.13</u>		<u>(2,273,241.52)</u>

Schedules referred above forms integral part of accounts.  
Subject to our report of even date.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

FOR GANDHI & GANDHI  
CHARTERED ACCOUNTANTS

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAMA MOHAN GIRI  
PARTNER  
June 25th, 2009



**PROFIT & LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(in Rs.)

PARTICULARS	SCHEDULE	31.03.2009	31.03.2008
Profit & Loss Account Balance b/f		35,700,805.36	1,669,130.88
Add : Profit for the year		1,946,444.13	(2,273,241.52)
Reversal of Proposed Dividends & Dividend Tax		-	33,966,690.00
Reversal of Transfer to General Reserve		-	2,338,226.00
		<u>37,647,249.49</u>	<u>35,700,805.36</u>
Less : Appropriation			
Interim Dividend		2,369,573.00	-
Interim Dividends - Dividend Tax @ 16.995%		434,926.00	-
Transfer to General Reserve		196,061.00	-
Transfer to Capital Redemption Reserve		2,134,750.00	-
Premium on buy back of shares		6,404,250.00	-
		<u>11,539,560.00</u>	<u>-</u>
Balance Profit transferred to Balance Sheet		<u>26,107,689.49</u>	<u>35,700,805.36</u>

Schedules referred above forms integral part of accounts.  
Subject to our report even date.

FOR GANDHI & GANDHI  
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

RAMA MOHAN GIRI  
PARTNER  
June 25th, 2009

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

SCHEDULE - 1		(in Rs.)		SCHEDULE - 2		(in Rs.)	
	31.03.2009	31.03.2008		31.03.2009	31.03.2008		
<b>SHARE CAPITAL</b>			<b>RESERVES &amp; SURPLUS</b>				
<b>AUTHORISED CAPITAL :</b>			General Reserve - Balance b/f	1,711,880.00	4,050,106.00		
(10,00,000 shares of Rs. 10 each)	10,000,000.00	10,000,000.00	Add : Transfer from Profit & Loss Account	196,061.00	(2,338,226.00)		
				1,907,941.00	1,711,880.00		
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL :</b>			Capital Redemption Reserve	2,134,750.00			
(8,53,900 shares of Rs. 10 each fully paid)	6,404,250.00	8,539,000.00	Profit & Loss Account	26,107,689.49	35,700,805.36		
	<u>6,404,250.00</u>	<u>8,539,000.00</u>		<u>30,150,380.49</u>	<u>37,412,685.36</u>		

**SCHEDULE - 3**

**FIXED ASSETS and DEPRECAITION STATEMENT as per Companise Act on WRITTEN DOWN VALUE METHOD year ended MARCH 31, 2009** (in Rs.)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	BALANCE	ADDITIONS	SALE	TOTAL	ACCUMU- FOR THE	SALE	Total	AS ON	AS ON	
	AS ON			AS ON	LATED	ADJUST.		31.03.2009	31.03.2008	
	01-04-2008			31-03-2009	2008-09					
Fire-Fighting Equipment	7,493	-	-	7,493	1,902	778	-	2,680	4,813	5,591
ISDN Equipment	18,638	-	-	18,638	14,758	540	-	15,298	3,340	3,880
Office Equipments	2,030,086	-	-	2,030,086	1,577,692	62,928	-	1,640,620	389,466	452,394
Swipe Machine	72,040	-	-	72,040	37,205	4,846	-	42,051	29,989	34,835
System Software	1,596,650	-	-	1,596,650	1,395,592	80,423	-	1,476,015	120,635	201,058
Telephone Equipment	35,400	-	-	35,400	20,573	2,062	-	22,635	12,765	14,827
Telephone Instruments	15,448	-	-	15,448	8,903	910	-	9,813	5,635	6,545
UPS	417,914	-	-	417,914	392,107	10,323	-	402,430	15,484	25,807
Vehicles	488,669	-	-	488,669	158,946	65,945	-	224,891	263,778	329,723
	<u>4,682,338</u>	<u>-</u>	<u>-</u>	<u>4,682,338</u>	<u>3,607,678</u>	<u>228,755</u>	<u>-</u>	<u>3,836,433</u>	<u>845,905</u>	<u>1,074,660</u>



**Apex Advanced Technology Pvt. Ltd.**

SCHEDULE - 4		(in Rs.)	
<b>INVESTMENTS</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
HDFC Cash Management Fund-Daily Dividend	-	1,730,801.10	
HDFC Cash Management Fund-Weekly Dividend	-	2,986,936.00	
HDFC Equity Fund	177,875.36	167,201.00	
HDFC CMF Treasury Adv Retail	1,147,260.14	-	
ING Vysya Liquid Fund	-	844,530.00	
Prudential ICICI Dynamic Fund	202,688.71	181,512.00	
Prudential ICICI Liquid Plan Daily Dividend	-	1,169,215.37	
Rajkot Oil Cake Pvt Ltd - shares	100.00	-	
	<b>1,527,924.21</b>	<b>7,080,195.47</b>	

SCHEDULE - 5		(in Rs.)	
<b>CASH &amp; BANK BALANCES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Cash in hand	243,577.00	213,577.80	
Cash at Bank :			
HDFC Bank	212,985.58	193,340.39	
Oriental Bank of Commerce	31,004.33	42,980.70	
	<b>487,566.91</b>	<b>449,898.89</b>	

SCHEDULE - 6		(in Rs.)	
<b>LOAN &amp; ADVANCES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Anju Hitendra Patel	300,000.00	300,000.00	
Bhavani Dharmashi Patel - HUF	700,000.00	700,000.00	
Bipinchandra V Patel	2,500,000.00	2,500,000.00	
Dhaval V Patel	1,500,000.00	1,500,000.00	
Divyesh Oil Mills	-	2,000,000.00	
Divyesh Securities	-	2,000,000.00	
Gopalbhai Khirsaria	1,000,000.00	1,000,000.00	
Hetal Mitul Kalaria	1,080,000.00	1,000,000.00	
Jasmin Manish Kalaria	-	1,000,000.00	
Kajalben Bhaveshkumar Kothadia	400,000.00	400,000.00	
Keshav Creatives	500,000.00	-	
Krishna Creative	1,101,627.00	1,101,627.00	
Labhuben Jinabhai Kothadia	400,000.00	400,000.00	
Manish B Kalaria	2,500,000.00	2,500,000.00	
Mansukhbhai Lakhabhai Vachhani	200,000.00	200,000.00	
Mitul Kumar B Kalaria	2,500,000.00	2,500,000.00	
Pragjibhai Dayabhai Kalaria - HUF	500,000.00	500,000.00	
Ravi Associates, Rajkot	10,000,000.00	10,000,000.00	
Shyam Parvinchandra	2,500,000.00	2,500,000.00	
Vimal Pragjibhai Kalaria	500,000.00	500,000.00	
Wordworks Apex ITES (India) P Ltd	3,701,809.00	3,701,809.00	
Yes Corporation	-	500,000.00	
	<b>31,883,436.00</b>	<b>36,803,436.00</b>	

SCHEDULE - 7		(in Rs.)	
<b>OTHER CURRENT ASSETS</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Deposits :			
Accrued Interest :			
Anju Hitendra Patel	18,000.00	-	
Bhavani Dharmashi Patel - HUF	42,000.00	-	
Jasmin Manish Kalaria	26,740.00	-	
Keshav Creatives	26,603.00	-	
Krishna Creative	51,120.00	-	
Manish B Kalaria	200,000.00	-	
Mitul Kumar B Kalaria	200,000.00	-	
Pragjibhai Dayabhai Kalaria - HUF	30,000.00	-	
Ravi Associates	965,169.00	478,906.00	
Vimal Pragjibhai Kalaria	30,000.00	-	
Gas Deposit	800.00	800.00	
Telephone Deposit	19,687.37	29,300.00	
Income Tax Refund - AY 2008-09	161,808.00	161,808.00	
Income Tax Refund - AY 2009-10	40,527.00	-	
APEX Employees Group Gratuity Trust	5,000.00	5,000.00	
	<b>1,817,454.37</b>	<b>675,814.00</b>	

SCHEDULE - 8		(in Rs.)	
<b>CURRENT LIABILITIES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Sundry Creditors	120,842.00	29,889.00	
Outstanding Expenses	53,622.00	97,069.00	
	<b>174,464.00</b>	<b>126,958.00</b>	

SCHEDULE - 9		(in Rs.)	
<b>PROVISIONS</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Provision for Fringe Benefit Tax	4,325.00	5,361.00	
	<b>4,325.00</b>	<b>5,361.00</b>	

SCHEDULE - 10		(in Rs.)	
<b>OTHER INCOMES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Dividend Income	203,600.31	1,128,838.45	
Interest Received on :			
Others - Loan & Advances	2,114,325.00	1,267,265.44	
Fixed Deposits	44,274.00	22,778.00	
Excess provision of expenses - reversed	-	158,504.66	
Write back of credits	-	1,734,036.75	
Profit on sale of Mutual Funds	1,008.50	64,130.02	
	<b>2,363,207.81</b>	<b>4,375,553.32</b>	

SCHEDULE - 11		(in Rs.)	
<b>DIRECT EXPENSES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Employees Benefits :			
Earned Leaves - Staff	-	127,496.00	
Exgratia / Bonus to Staff	-	1,270,331.00	
Gratuity	-	838,132.00	
Provident Fund - Employers' Contribution	-	15,164.00	
Excise Duty	-	27,053.00	
Foreign Exchange Fluctuation	-	513,006.04	
Professional Charges	112,000.00	45,573.00	
Repairs & Maintenance	5,200.00	8,000.00	
STPI Service Charges	-	7,500.00	
	<b>117,200.00</b>	<b>2,852,255.04</b>	

SCHEDULE - 12		(in Rs.)	
<b>ADMINISTRATIVE EXPENSES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
AMC's	-	15,672.00	
Audit Fees	27,575.00	33,708.00	
Bank Charges	797.88	53,794.80	
Conveyance	-	441.00	
Customs Duty	-	105,774.00	
Freight Charges	-	35,000.00	
Insurance - Vehicles	7,884.00	9,582.00	
Loss on Sale Of Asset	-	3,175,404.00	
Miscellaneous Expenses	10,617.00	200.00	
Rates & Taxes	9,770.80	13,230.00	
STT Paid	-	2,235.00	
	<b>56,644.68</b>	<b>3,445,040.80</b>	

SUB SCHEDULE		(in Rs.)	
<b>CURRENT LIABILITIES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Sundry Creditors			
Gandhi & Gandhi	120,842.00	29,889.00	
Outstanding Expenses :			
Bonus	27,000.00	93,250.00	
Consultancy charges Payable	15,000.00	-	
TDS payable	11,622.00	3,819.00	
	<b>174,464.00</b>	<b>126,958.00</b>	





**SCHEDULE - 13**

**Significant Accounting Policies**

1. **Accounting Concepts :**  
The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory Accounting Standards.
2. **Incomes & Expenditure :**  
The assessee maintains its accounts on accrual basis, except for the following :
  - Expenditure on account of leave encashment, which are accounted on cash basis.
  - telephone, water, electricity expenses are accounted as soon as they are ascertainable.
  - dividends are accounted for when received.
3. **Fixed Assets :**  
**Tangible Fixed Assets :**  
Fixed assets are stated at cost less depreciation. The cost of an asset comprises of its purchase price & directly attributable costs of bringing the asset to working condition for its intended use.  
**Intangible Fixed Assets :**  
The company does not own any intangible fixed assets.
4. **Depreciation on Fixed Assets :**  
**Depreciation on Tangible Fixed Assets :**  
The Company charges depreciation on Written Down Value Method at rates prescribed in the Schedule XIV of the Companies Act, 1956. Depreciation in addition to assets is provided on pro rata basis.
5. **Sundry Debtors and Loans & Advances :**  
Sundry Debtors and Loans & Advances are stated at their realisable value after providing for the bad debts as considered necessary by the management.
6. **Investments :**  
Current investments are stated at lower of cost or fair market value. Long term investments are stated at cost after deducting provisions made for permanent diminution in the value, if any.
7. **Provision for Income Tax – Current and Deferred Tax :**  
Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantially enacted on the balance sheet date.

8. **Impairment of assets :**  
The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.  
An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use that is determined based on the present value of estimated future cash flow. All impairment loss is recognized in the accounts. Management has evaluated impairment of assets as required by Accounting Standard – 28 – Impairment of Assets, which was made mandatory for accounting period commencing on or after 1<sup>st</sup> April 2004. On a basis of evaluation, management is of the opinion that there is no impairment of the Company's assets as at 31<sup>st</sup> March 2009.
9. **Retirement Benefits :**  
The Company's contributions to provident Fund and Superannuation Fund are charged to Profit & Loss Account. Contribution to Gratuity Fund and Provision for Leave Encashment are made on the basis of actuarial valuation and charged to Profit & Loss Account.
10. **Effects of changes in Foreign Exchange Rates :**  
The reporting currency of the company is Indian Rupee. Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates at the date of the transaction. Exchange difference on settlement / conversion are adjusted to :
  - (i) Cost of fixed assets, if the foreign currency liability relates to imported fixed assets, the amount of exchange gain / loss adjusted in carrying amount of fixed assets during the year is Rs. NIL.
11. **Borrowing Cost :**  
No borrowing costs have been capitalized during the year.
12. **Contingencies & Events occurring after Balance Sheet date :**  
Contingencies that can be reasonably ascertained are provided for, if in the opinion of the company, there is a probability that the future outcome may be materially detrimental to the company.

**SCHEDULE - 14**

**Notes To Accounts**

1. The Company did not have any employee during year, whose particulars are required to be disclosed under section 217 (2A) of the Companies Act, 1956.
2. Auditor's remuneration :
  - i) Statutory Audit - Rs. 7,500
  - ii) Other Reports - Rs. 4,000
  - iii) Consultancy - Rs. 13,500
3. In the opinion of Board of Directors the Current Assets, Loans and Advances are approximately of the value stated if realised in ordinary course of business.
4. **Deferred Tax Liabilities :**

	Current Year	Previous Year
Deferred Tax Asset	1,71,133	NIL
Deferred Tax Liability	NIL	NIL
5. Sundry Creditors does not include any dues to Small Scale Undertakings.
6. Directors remuneration :  
No remuneration was paid or provided to directors
8. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the classification of the year.
9. Schedules 1 to 14 and Significant Accounting policies form integral part of the accounts and have been duly authenticated.

**FOR GANDHI & GANDHI**  
CHARTERED ACCOUNTANTS

**RAMA MOHAN GIRI**  
PARTNER  
June 25th, 2009

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS,**

**VIKRAM B. SANGHANI**  
DIRECTOR

**SANJAY H. DHAMSANIA**  
DIRECTOR



**COMPLIANCE CERTIFICATE**

**FOR THE FINANCIAL YEAR 1<sup>ST</sup> APRIL 2008 TO 31<sup>ST</sup> MARCH 2009**

To,

The Members,

**Apex Advanced Technology Private Limited - Hyderabad**

I have examined the registers, records, books and papers of M/s Apex Advanced Technology Private Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31<sup>st</sup> March 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure B to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under. No forms were filed with the Regional Director, Central Government for the year under scrutiny.
3. The Company being private limited company has the minimum prescribed paid-up share capital and its maximum number of members during the said financial year was 3 (Three) excluding its present and past employees and during the year under scrutiny, the Company:
  - i. Has not invited public to subscribe for its shares or debentures; and
  - ii. Has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met Five (5) times on 26.06.2008, 01.07.2008, 21.07.2008, 25.11.08 and 23.03.2009. For these meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2008 was held on July 21, 2008 after giving due notices to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Extra Ordinary Meeting of members was held on 22.05.2008 during the financial year.
8. The Company being a private Company, Section 295 of the Act is not applicable.
9. The Company has not entered into any contracts specified under Section 297 of the Act.
10. The Company was not required to make any entry in the register to be maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or the Central Government.
12. The Company did not issue any duplicate share certificate during the financial year.
13. The Company:
  - i. Did not transfer any Equity Shares during the financial year;
  - ii. Declare and paid dividend during the financial year.
  - iii. Posted dividend warrants to the members of the Company;
  - iv. Was not required to transfer any funds to Investor Education and Protection Fund; and
  - v. Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company being a Private Company, provisions of Section 269 of the Act regarding to appointment of Managing Director/Whole Time Director/Manager are not applicable.
16. The Company has not appointed any sole-selling agent during the financial year.

17. The Company was not required during the financial year to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company did not issue any shares, debentures or securities during the financial year.
20. The Company has bought back 213,475 equity shares during the financial year ending 31st March 2009 after complying with the provisions of the Act.
21. There was no redemption of preference shares or debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of shares.
23. The Company has not invited/accepted any deposits including any unsecured loan falling within the purview of Sections 58A during the financial year.
24. The Company, being a Private Company, the borrowings made during the financial year does not attract the provisions of Section 293 (1) (d) of the Act.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from the one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from employees during the financial year.
33. The Company has deposited contributions to Provident Fund for its employees with prescribed authorities pursuant to section 418 of the Act during the financial year.

**ANNEXURE A**

**REGISTERS AS MAINTAINED BY THE COMPANY**

1. REGISTER OF MEMBERS U/S 150
2. MINUTES BOOK FOR BOARD OF DIRECTORS MEETINGS U/S 193
3. MINUTES BOOK FOR ANNUAL GENERAL MEETINGS U/S 193
4. REGISTER OF DIRECTORS, MANAGING DIRECTOR, MANAGER, ETC.
5. BOOKS OF ACCOUNTS UNDER SECTION 209

**ANNEXURE B**

**FORMS AND RETURNS AS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2009**

1. Form 23 for special resolution on 26.05.2008
2. Form 62 and 4A for buyback of Shares on 26.05.2008
3. Form 4C for buyback of equity shares vide SRN A41018011 dated 16.07.2008
4. Form 62 vide SRN A41818675 dated 23.07.2008
5. Form 66 vide SRN P28050576 dated 09.12.2008 for Compliance Certificate for FY 2007-08
6. Form 23AC/23ACA vide SRN P28176113 dated 12.12.2008 for Annual Accounts for FY 2007-08
7. Form F20B vide SRN P28176782 dated 12.12.2008 for Annual Return for FY 2007-08

Date : June 26, 2009

Place : Secunderabad

S/d

(Ajit R. Mehta)

Practising Company Secretary  
C. P. No. 3702



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.  State Code  Balance Sheet   
DD MM YYYY

**II. Capital Raised during the year (Amount in Rs. '000)**

Public Issue  Rights Issue  Bonus Issue  Private Placement

**III. Position of Mobilisation and Deployment of Funds (Amt.in Rs.'000)**

Total Liabilities  Total Assets

Sources of Funds

Paid-up Capital  Reserves & Surplus  Secured Loans  Unsecured Loans  Deferred Tax Liability

Application of Funds

Net Fixed Assets  Investments  Net Current Assets

Misc. Expenditure  Accumulated Losses

**IV. Performance of Company (Amount in Rs. '000)**

Total Income  Total Expenditure   
+ - Net Profit/Loss Before Tax  + - Net Profit/Loss After Tax   
Earning per share in Rs.  Dividend %

**V. Generic Names of Three Principal Products/Services of Company**

(as per monetary terms)

Item Code No. (ITC Code)  Product Description

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

**VIKRAM B. SANGHANI SANJAY H. DHAMSANIA**

DIRECTOR

DIRECTOR

Hyderabad, Dated 25th June, 2009.



**RAJKOT COMPUTER EDUCATION PVT. LTD  
REPORT OF THE DIRECTOR'S**

To,  
The Members,

Your Directors have pleasure in presenting you the **SEVENTEENTH ANNUAL REPORT** of the Company together with the Audited Statement of Accounts for the year ended 31st MARCH, 2009.

FINANCIAL RESULTS	2008-2009	2007-2008
Sales & Other Income	2,00,152	62,000
Expenditure	2,04,286	46,111
Profit/(Loss) before Interest & Depreciation, etc.	(4,134)	15,889
Less : Depreciation	—	—
Profit before taxation	(4,134)	15,889
Less : Provision for taxation:		
Current Tax	—	1,650
Profit/(Loss) after taxation	(4,134)	14,239
Add. : Excess Provision of Tax Written Back	10	—
<b>BALANCE CARRIED FORWARD TO BALANCE SHEET</b>	<b>(4,124)</b>	<b>14,239</b>

**OPERATION:**

The company has ceased its operations and no activity had been undertaken during the year under review.

**DIVIDEND:**

The directors do not recommend any dividends.

**RESPONSIBILITY STATEMENT:**

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable

**AUDITORS' REPORT**

The Members of **RAJKOT COMPUTER EDUCATION PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **RAJKOT COMPUTER EDUCATION PRIVATE LIMITED**, as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2009 and of the Loss of the Company for that year;

- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis, but in view of discontinuation of the principle operations the said assumptions about going concern may not be valid and to that extent the accounts for the year should be read accordingly.

**PARTICULARS OF EMPLOYEES:**

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

**SUBSIDIARY:**

Your company is a 100 % subsidiary of Ace Software Exports Limited.

**AUDITORS:**

M/s. **KALARIA & SAMPAT**, Chartered Accountants, the auditors of the company are due to retire at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint auditors and fix their remuneration.

**ACKNOWLEDGEMENT:**

Your Directors wish to put on paper their appreciation for the staff of the company for their co-operation and efforts.

**FOR & ON BEHALF OF THE BOARD,**

**VIKRAM B. SANGHANI**      **SANJAY H. DHAMSANIA**  
DIRECTOR                              DIRECTOR

Rajkot, Dated 19th June, 2009

- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2009;
  - (b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date.
  - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Kalaria & Sampat,**  
Chartered Accountants

**Atul M. Kalaria**  
Partner

Rajkot, Dated 19th June, 2009



Statement on the Companies (Auditor's Report) Order, 2003

To,

**RAJKOT COMPUTER EDUCATION PRIVATE LIMITED**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has disposed off substantial part of fixed assets. Moreover, in view of discontinuation of the principal operations the said assumption about going concern may not be valid and to that extent the accounts for the year should be read accordingly.
- (ii) The Company's nature of operation does not require it to hold inventories. Accordingly, the provisions of Clause (ii) of the Order are not applicable to the Company.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the company exceeds Rs. 50 lacs at the commencement of the financial year nor does it has an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, income-tax, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provisions of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (x) The Company has no accumulated losses. The Company has incurred cash losses during the financial year covered by our audit.
- (xi) The Company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) The Company has not obtained any term loans. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered Accountants

Atul M.Kalaria  
Partner

Rajkot, Dated 19th June 2009



**Rajkot Computer Education Pvt. Ltd.**

**BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	SCHEDULE	(in Rs.)	
		31.03.2009	31.03.2008
<b>I. SOURCES OF FUNDS</b>			
a) Shareholder's Fund :			
1) Share Capital	1	100,000	100,000
2) Reserves & Surplus	2	315,406	319,530
b) Deferred Tax Liability		39,489	39,489
		<u>454,896</u>	<u>459,019</u>
<b>II. APPLICATION OF FUNDS</b>			
c) Fixed Assets :	3		
Gross Block			1,805,117
Less : Depreciation			1,462,248
Net Block			342,869
d) Investments			
HDFC Cash Management Fund-Weekly Div. Reinvest		304,728	
e) Current Assets, Loans & Advances :	4		
1) Cash & Bank Balances		155,682	190,785
2) Loans and Advances			1,442
		155,682	192,227
Less : Current Liabilities & Provisions :	5		
1) Current Liabilities			68,809
2) Provisions		5,515	7,268
		5,515	76,077
Net Current Assets		150,167	116,150
		<u>454,896</u>	<u>459,019</u>

**NOTES TO ACCOUNTS**

7

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER

RAJKOT, DATED 19th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(in Rs.)

PARTICULARS	SCHEDULE	(in Rs.)	
		31.03.2009	31.03.2008
<b>I. INCOME :</b>			
<i>Other Income</i>			
Composite Lease Income		159,600	42,000
Dividend Income		40,552	
Kasar Income			20,000
		<u>200,152</u>	<u>62,000</u>
<b>II. EXPENDITURE :</b>			
General Administrative & Selling	6	204,286	46,111
Profit/(Loss) before Tax		(4,134)	15,889
Less : Provision for Tax :			
Current Tax			1,650
Profit/(Loss) after Tax		(4,134)	14,239
Add. : Excess Provision of Tax Written Back		10	
		<u>(4,124)</u>	<u>14,239</u>
<b>BALANCE CARRIED FORWARD TO BALANCE SHEET</b>			

**NOTES TO ACCOUNTS**

7

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER

RAJKOT, DATED 19th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR





## SCHEDULE - 7

## NOTES TO ACCOUNTS

## I. ACCOUNTING POLICIES:

## 1) ACCOUNTING CONVENTION:

Though the accounts of the company are prepared on going concern assumption, in view of discontinuation of the principal operations the said assumptions about going concern is wrongly adopted and to that extent the accounts for the year should be read accordingly.

## 2) EXPENDITURE:

Expenditure is accounted on accrual basis and provision is made for all known losses and liabilities. The company has discontinued its educational operations since there is no business activity carried on by the company. The entire expenses in respect of the ordinary expenses are attributable to the discontinuing operation are reflected in the Profit & Loss Statement.

## 3) FIXED ASSETS:

Fixed assets are capitalized at acquisition cost including directly attributable cost of bringing the assets to their working condition for intended use.

## 4) DEPRECIATION:

No depreciation has been provided on the fixed assets as the company is not carrying any business activity.

II. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL

III. Earnings and outgo of foreign exchange. NIL

IV. Details of capacity. N.A.

V. Contingent liabilities not provided for NIL

## VI. Payment to Auditors:

Particulars	2008-2009	2007-2008
a) Statutory & Tax Audit	5,000	5,000
b) Service Tax	515	618

## VII. Earning Per Share: (Basic Earning Per Share)

Particulars	2008-2009	2007-2008
Net Profit After Tax	---	14,239
Paid-up Share Capital	1,00,000	1,00,000
Earning Per Share (EPS) (Rs.)	---	0.14

VIII. Previous years figures have been regrouped/rearranged wherever necessary to make them comparable.

IX. Schedule 01 to 07 from an integral part to the Financial Statements and have been authenticated.

## SIGNATURE TO SCHEDULE 01 TO 07

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

ATUL M. KALARIA  
PARTNER

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009





# Aspire Exim Private Limited

## REPORT OF THE DIRECTOR'S

To,  
The Members,

Your Directors have pleasure in presenting you the **FIRST ANNUAL REPORT** of the Company together with the Audited Statement of Accounts for the year ended 31st MARCH, 2009.

### FIANANCIAL PERFORMANCE & OPERATIONS:

The company has not commenced its operations and hence no financial performance is reported for the year under review.

### DIVIDEND:

The directors do not recommend any dividends.

### RESPONSIBILITY STATEMENT:

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2009;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis.

### PARTICULARS OF EMPLOYEES:

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

### SUBSIDIARY:

Your company is a 100 % subsidiary of Ace Software Exports Limited.

### AUDITORS:

M/s. KALARIA & SAMPAT, Chartered Accountants, are the first auditors of the company and are due to vacate their office at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint auditors and fix their remuneration.

### ACKNOWLEDGEMENT:

Your Directors wish to put on paper their appreciation for the staff of the company for their co-operation and efforts.

FOR & ON BEHALF OF THE BOARD,

VIKRAM B. SANGHANI      SANJAY H. DHAMSANIA  
DIRECTOR                      DIRECTOR

RAJKOT, Dated 19th June, 2009

### AUDITORS' REPORT

The Members of **ASPIRE EXIM PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **ASPIRE EXIM PRIVATE LIMITED**, as at 31st March, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - (b) in the case of the Statement of Incidental Expenditure pending capitalization, of the expenses for the year ended on that date.

For Kalaria & Sampat,  
Chartered Accountants

Atul M. Kalaria  
Partner

Rajkot, Dated 19th June, 2009



Statement on the Companies (Auditor's Report) Order, 2003

To,

ASPIRE EXIM PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed asset.  
 (b) Fixed asset comprising of Land has been verified by the management during the year. No material discrepancy was noticed on such verification.  
 (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
 (b) The Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956.

Sr. No.	Name of Related Party	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the financial year Amount (Rs.)
1.	Ace Software Exports Ltd.	20,30,387	20,30,387

- (c) In our opinion, and according to information and explanations given to us, the loan is interest free and other terms and conditions are not, prima facie, prejudicial to the interest of the Company.  
 (d) There is no stipulation for repayment of the said loan.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In our opinion, and according to the information and explanations given to us, the contract or arrangement that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956, has been so entered.  
 (b) In our opinion, and according to the information and explanations given to us, this contract or arrangement represents purchase of land which appears reasonable.
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.  
 (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion, and according to the information and explanations given to us and on an overall examination, the term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered Accountants

Atul M.Kalaria  
Partner

Rajkot, Dated 19th June, 2009



**Aspire Exim Private Limited**

**BALANCE SHEET AS AT 31ST MARCH, 2009**  
**[Company Incorporated on 08.10.2008]**

PARTICULARS	SCHEDULE	(in Rs.) 31.03.2009
<b>I. SOURCES OF FUNDS</b>		
1) Shareholder's Fund :		
a) Share Capital	1	100,000
2) Loan Fund :		
a) Secured Loans	2	610,448
b) Unsecured Loans	3	<u>2,030,387</u>
		<u><u>2,740,835</u></u>
<b>II. APPLICATION OF FUNDS</b>		
3) Fixed Assets :		
Gross Block (Land at GIDC, Metoda)		2,704,149
Less : Depreciation		
Net Block		<u>2,704,149</u>
4) Incidental Expenditure Pending Capitalisation	4	<u>4,209</u>
		2,708,358
5) Current Assets, Loans & Advances:		
1) Cash & Bank Balance	5	<u>29,690</u>
		29,690
Less : Current Liabilities & Provisions :	6	<u>3,309</u>
Net Current Assets		<u>26,381</u>
6) Miscellaneous Expenditure [To the extent not written off or adjusted]	7	6,096
		<u><u>2,740,835</u></u>
	8	

**NOTES TO ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
 CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
 PARTNER

RAJKOT, DATED 19th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
 DIRECTOR

SANJAY H. DHAMSANIA  
 DIRECTOR

SCHEDULE - 1	(in Rs.)	SCHEDULE - 5	(in Rs.)
SHARE CAPITAL	31.03.2009	CURRENT ASSETS, LOANS & ADVANCES	31.03.2009
AUTHORISED SHARE CAPITAL :		CURRENT ASSETS :	
10,000 Equity Shares of Rs.10/- each	<u>100,000</u>	Cash & Bank Balances :	
ISSUED, SUBSCRIBED & PAID-UP :		HDFC Bank	26,890
10,000 Equity Shares of Rs.10/- each fully paid up	<u>100,000</u>	Cash on Hand	<u>2,800</u>
			<u>29,690</u>
			<u><u>29,690</u></u>
SCHEDULE - 2	(in Rs.)	SCHEDULE - 6	(in Rs.)
SECURED LOANS	31.03.2009	CURRENT LIABILITIES & PROVISIONS	31.03.2009
GIDC - Loan	610,448	PROVISIONS :	
	<u>610,448</u>	Audit Fees	3,309
			<u>3,309</u>
SCHEDULE - 3	(in Rs.)	SCHEDULE - 7	(in Rs.)
UNSECURED LOANS	31.03.2009	MISCELLANEOUS EXPENDITURE	31.03.2009
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) ( Interest Free) -	2,030,387	[To the extent not written off or adjusted]	
	<u>2,030,387</u>	Company Incorporation Expenses	6,096
		Less : Written Off	
			<u><u>6,096</u></u>
SCHEDULE - 4	(in Rs.)		
INCIDENTAL EXPENDITURE	31.03.2009		
PENDING CAPITALISATION			
Audit Fees	3,309		
Office Expenses	400		
Printing & Stationary Expenses	500		
	<u>4,209</u>		



## SCHEDULE - 8

## NOTES TO ACCOUNTS

## I. ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

1) FIXED ASSETS:

Fixed assets are capitalized at the acquisition cost including directly attributable cost of bringing the assets to their working conditions for intended use.

2) DEPRECIATION:

No depreciation has been provided in the current accounting year, as the Company does not have any depreciable asset.

3) MISCELLANEOUS EXPENDITURE:

Company formation expenses are not written off in the current year, as the Company has not started commercial operations.

II. The accounts of the company have been prepared for the period of 5 months and 23 days starting from 8/10/2008 to 31/03/2009.

III. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL

IV. Earnings and outgo of foreign exchange. NIL

V. Contingent liabilities not provided for NIL

VI. PAYMENT TO AUDITORS:

Particulars	2008-09
a) Statutory & Tax Audit	3,000
b) Service Tax	309

VII. During the year under review, the Company did not commence commercial operations and therefore no Profit & Loss Account has been prepared. However, as recommended by the Research Committee of the Institute of Chartered Accountants of India in the "Guidance Note on Treatment of Expenditure during construction period" the Company has prepared "Statement of Incidental Expenditure Pending Capitalization" in lieu of Profit & Loss Account. This practice has also been recommended by the Department of Company Affairs, Government of India. The said schedule is prepared in accordance with the disclosure requirements of part of Schedule VI.

VIII. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

IX. Schedule 01 to 08 from an integral part to the Financial Statements and have been authenticated.

## SIGNATURE TO SCHEDULE 01 TO 08

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

ATUL M. KALARIA  
PARTNER

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009

## Balance Sheet abstract and Company's general business profile

a) Registration Details		Application of Funds	
Registration No.	U52100GJ2008PTC055208	Net Fixed Assets	Rs. 27,04,149
Balance Sheet Date	31 <sup>st</sup> March, 2009	Investments	Nil
		Net Current Assets	Rs. 26,381
b) Capital raised during the year		Misc. Expenditure	Rs. 6,096
Public Issue	Nil	Accumulated Losses	Nil
Rights Issue	Nil		
Bonus	Nil	d) Performance of the Company	
Private placements	Rs. 1,00,000	Total Income	Nil
		Total Expenditure	Nil
c) Position of mobilization and deployment of funds		Net Profit before Tax	Nil
Total Assets	Rs. 27,40,835	Net Profit after Tax	Nil
Total Liabilities	Rs. 27,40,835	Earning per share (in Rs.)	Nil
		Dividend (%)	Nil
Sources of Funds		i. Generic Names of Three principal products/services of Company (as per monetary terms):	
Paid up Capital	Rs. 1,00,000		
Reserves and Surplus	Nil	Item Code No. (ITC Code)	854231 00
Secured Loans	Rs. 6,10,448	Product Description	ELECTRONIC INTEGRATED CIRCUITS
Unsecured Loans	Rs. 20,30,387		
Deferred Tax Liability	Nil		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,



RAJKOT, Dated 19th June, 2009

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

# Citizen Solutions Private Limited

## REPORT OF THE DIRECTOR'S

To,  
The Members,

Your Directors have pleasure in presenting you the **FIRST ANNUAL REPORT** of the Company together with the Audited Statement of Accounts for the year ended 31st MARCH, 2009.

### FINANCIAL PERFORMANCE & OPERATIONS:

The company has not commenced its operations and hence no financial performance is reported for the year under review.

### DIVIDEND:

The directors do not recommend any dividends.

### RESPONSIBILITY STATEMENT:

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2009;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis.

### PARTICULARS OF EMPLOYEES:

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

### SUBSIDIARY:

Your company is a 100 % subsidiary of Ace Software Exports Limited.

### AUDITORS:

M/s. KALARIA & SAMPAT, Chartered Accountants, are the first auditors of the company and are due to vacate their office at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint auditors and fix their remuneration.

### ACKNOWLEDGEMENT:

Your Directors wish to put on paper their appreciation for the staff of the company for their co-operation and efforts.

FOR & ON BEHALF OF THE BOARD,

VIKRAM B. SANGHANI      SANJAY H. DHAMSANIA  
DIRECTOR                      DIRECTOR

RAJKOT, Dated 19th June, 2009

### AUDITORS' REPORT

The Members of CITIZEN SOLUTIONS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of CITIZEN SOLUTIONS PRIVATE LIMITED, as at 31<sup>st</sup> March, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
  - (b) in the case of the Statement of Incidental Expenditure pending capitalization, of the expenses for the year ended on that date.

For Kalaria & Sampat,  
Chartered Accountants

Atul M. Kalaria  
Partner

Rajkot, Dated 19th June, 2009



## Citizen Solutions Private Limited

### Statement on the Companies (Auditor's Report) Order, 2003

To,  
CITIZEN SOLUTIONS PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed asset comprising of Land has been verified by the management during the year. No material discrepancy was noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956.

Sr. No.	Name of Related Party	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the financial year Amount (Rs.)
1.	Ace Software Exports Ltd.	20,50,482	20,50,482

- (c) In our opinion, and according to the information and explanations given to us, the loans are interest free and the other terms and conditions are not, *prima facie*, prejudicial to the interest of the Company.
- (d) There is no stipulation for repayment of the said loan.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In our opinion, and according to the information and explanations given to us, the contract or arrangement that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956, has been so entered.
- (b) In our opinion, and according to the information and explanations given to us, this contract or arrangement represents purchase of land which appears reasonable.
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion, and according to the information and explanations given to us and on an overall examination, the term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered Accountants

Atul M.Kalaria  
Partner

Rajkot, Dated 19th June, 2009.



**Citizen Solutions Private Limited**

**BALANCE SHEET AS AT 31ST MARCH, 2009**  
**[Company Incorporated on 30.09.2008]**

PARTICULARS	SCHEDULE	(in Rs.) 31.03.2009
<b>I. SOURCES OF FUNDS</b>		
1) Shareholder's Fund :		
a) Share Capital	1	100,000
2) Loan Fund :		
a) Secured Loans	2	589,717
b) Unsecured Loans	3	2,050,482
		<u>2,740,199</u>
<b>II. APPLICATION OF FUNDS</b>		
3) Fixed Assets :		
Gross Block, (Land at GIDC, Metoda)		2,703,443
Less : Depreciation		
Net Block		<u>2,703,443</u>
4) Incidental Expenditure Pending Capitalisation	4	4,209
		<u>2,707,652</u>
5) Current Assets, Loans & Advances:		
1) Cash & Bank Balance	5	29,760
		<u>29,760</u>
Less : Current Liabilities & Provisions :	6	3,309
Net Current Assets		<u>26,451</u>
6) Miscellaneous Expenditure	7	6,096
[To the extent not written off or adjusted]		
		<u>2,740,199</u>
	8	

**NOTES TO ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE.

FOR KALARIA & SAMPAT,  
 CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
 PARTNER

RAJKOT, DATED 19th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI,  
 DIRECTOR

SANJAY H. DHAMSANIA  
 DIRECTOR

SCHEDULE - 1	(in Rs.)	SCHEDULE - 5	(in Rs.)
<b>SHARE CAPITAL</b>	<b>31.03.2009</b>	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>31.03.2009</b>
AUTHORISED SHARE CAPITAL :		<b>CURRENT ASSETS :</b>	
10,000 Equity Shares of Rs.10/- each	100,000	Cash & Bank Balances :	
		HDFC Bank	26,960
ISSUED, SUBSCRIBED & PAID-UP :		Cash on Hand	2,800
10,000 Equity Shares of Rs.10/- each fully paid up	100,000		<u>29,760</u>
			<u>29,760</u>
SCHEDULE - 2	(in Rs.)	SCHEDULE - 6	(in Rs.)
<b>SECURED LOANS,</b>	<b>31.03.2009</b>	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>31.03.2009</b>
GIDC - Loan	589,717	<b>PROVISIONS :</b>	
	<u>589,717</u>	Audit Fees	3,309
			<u>3,309</u>
SCHEDULE - 3	(in Rs.)	SCHEDULE - 7	(in Rs.)
<b>UNSECURED LOANS</b>	<b>31.03.2009</b>	<b>MISCELLANEOUS EXPENDITURE</b>	<b>31.03.2009</b>
Inter-corporate Loan from Ace Software Exports Ltd.	2,050,482	[To the extent not written off or adjusted]	
(Holding Company) (Interest Free)	<u>2,050,482</u>	Company Incorporation Expenses	6,096
		Less : Written Off	
			<u>6,096</u>
SCHEDULE - 4	(in Rs.)		
<b>INCIDENTAL EXPENDITURE</b>	<b>31.03.2009</b>		
<b>PENDING CAPITALISATION</b>			
Audit Fees	3,309		
Office Expenses	400		
Printing & Stationary Expenses	500		
	<u>4,209</u>		





**SCHEDULE - 8**

**NOTES TO ACCOUNTS**

**I. ACCOUNTING POLICIES:**

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

1) **FIXED ASSETS:**

Fixed assets are capitalized at the acquisition cost including directly attributable cost of bringing the assets to their working conditions for intended use.

2) **DEPRECIATION:**

No depreciation has been provided in the current accounting year, as the Company does not have any depreciable asset.

3) **MISCELLANEOUS EXPENDITURE:**

Company formation expenses are not written off in the current year, as the Company has not started commercial operations.

II. The accounts of the company have been prepared for the period of 6 months starting from 30/09/2008 to 31/03/2009.

III. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL

IV. Earnings and outgo of foreign exchange. NIL

IV. Contingent liabilities not provided for NIL

VI. **PAYMENT TO AUDITORS:**

Particulars	2008-09
a) Statutory & Tax Audit	3,000
b) Service Tax	309

VII. During the year under review, the Company did not commence commercial operations and therefore no Profit & Loss Account has been prepared. However, as recommended by the Research Committee of the Institute of Chartered Accountants of India in the "Guidance Note on Treatment of Expenditure during construction period" the Company has prepared "Statement of Incidental Expenditure Pending Capitalization" in lieu of Profit & Loss Account. This practice has also been recommended by the Department of Company Affairs, Government of India. The said schedule is prepared in accordance with the disclosure requirements of part of Schedule VI.

VIII. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

IX. Schedule 01 to 08 from an integral part to the Financial Statements and have been authenticated.

**SIGNATURE TO SCHEDULE 01 TO 08**

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

ATUL M. KALARIA  
PARTNER

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009

**Balance Sheet abstract and Company's general business profile**

a) Registration Details		Application of Funds	
Registration No.	U93000GJ2008PTC055149	Net Fixed Assets	Rs. 27,03,443
Balance Sheet Date	31 <sup>st</sup> March, 2009	Investments	NIL
		Net Current Assets	Rs. 26,451
b) Capital raised during the year		Misc. Expenditure	Rs. 6,096
Public Issue	Nil	Accumulated Losses	NIL
Rights Issue	Nil		
Bonus	Nil	d) Performance of the Company.	
Private placements	Rs. 1,00,000	Total Income	NIL
		Total Expenditure	NIL
c) Position of mobilization and deployment of funds		Net Profit before Tax	NIL
Total Assets	Rs. 27,40,199	Net Profit after Tax	NIL
Total Liabilities	Rs. 27,40,199	Earning per share (in Rs.)	NIL
		Dividend (%)	NIL
Sources of Funds		I. Generic Names of Three principal products/services of Company (as per monetary terms):	
Paid up Capital	Rs. 1,00,000	Item Code No. (ITC Code)	: 852490 02
Reserves and Surplus	Nil	Product Description	: CREATION OF DATABASE
Secured Loans	Rs. 5,89,717		
Unsecured Loans	Rs. 20,50,482		
Deferred Tax Liability	NIL		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,



RAJKOT, Dated 19th June, 2009

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

# Cosmos Services Private Limited

## REPORT OF THE DIRECTOR'S

To,  
The Members,

Your Directors have pleasure in presenting you the **FIRST ANNUAL REPORT** of the Company together with the Audited Statement of Accounts for the year ended **31st MARCH, 2009**.

### FIANANCIAL PERFORMANCE & OPERATIONS:

The company has not commenced its operations and hence no financial performance is reported for the year under review.

### DIVIDEND:

The directors do not recommend any dividends.

### RESPONSIBILITY STATEMENT:

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2009;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis.

### PARTICULARS OF EMPLOYEES:

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

### SUBSIDIARY:

Your company is a 100 % subsidiary of Ace Software Exports Limited.

### AUDITORS:

M/s. **KALARIA & SAMPAT**, Chartered Accountants, are the first auditors of the company and are due to vacate their office at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint auditors and fix their remuneration.

### ACKNOWLEDGEMENT:

Your Directors wish to put on paper their appreciation for the staff of the company for their co-operation and efforts.

FOR & ON BEHALF OF THE BOARD,

**VIKRAM B. SANGHANI**    **SANJAY H. DHAMSANIA**  
DIRECTOR                                  DIRECTOR

RAJKOT, Dated 19th June, 2009

### AUDITORS' REPORT

The Members of **COSMOS SERVICES PRIVATE LIMITED**.

1. We have audited the attached Balance Sheet of **COSMOS SERVICES PRIVATE LIMITED**, as at 31st March, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - (b) in the case of the Statement of Incidental Expenditure pending capitalization, of the expenses for the year ended on that date.

For Kalaria & Sampat,  
Chartered Accountants

**Atul M. Kalaria**  
Partner

Rajkot, Dated 19th June, 2009



## Statement on the Companies (Auditor's Report) Order, 2003

To,

**COSMOS SERVICES PRIVATE LIMITED**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed asset comprising of Land has been verified by the management during the year. No material discrepancy was noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956.

Sr. No.	Name of Related Party	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the financial year Amount (Rs.)
1.	Ace Software Exports Ltd.	15,47,017	15,47,017

- (c) In our opinion, and according to the information and explanations given to us, the loans are interest free and the other terms and conditions are not, *prima facie*, prejudicial to the interest of the Company.
- (d) There is no stipulation for repayment of the said loan.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In our opinion, and according to the information and explanations given to us, the contract or arrangement that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956, has been so entered.
- (b) In our opinion, and according to the information and explanations given to us, this contract or arrangement represents purchase of land which appears reasonable.
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion, and according to the information and explanations given to us and on an overall examination, the term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered AccountantsAtul M. Kalaria  
Partner

Rajkot, Dated 19th June, 2009



**Cosmos Services Private Limited**

**BALANCE SHEET AS AT 31ST MARCH, 2009**  
**[Company Incorporated on 08.10.2008]**

PARTICULARS	SCHEDULE	(in Rs.) 31.03.2009
<b>I. SOURCES OF FUNDS</b>		
1) Shareholder's Fund :		
a) Share Capital	1	100,000
2) Loan Fund :		
a) Secured Loans	2	449,596
b) Unsecured Loans	3	1,547,017
		<u>2,096,613</u>
<b>II. APPLICATION OF FUNDS</b>		
3) Fixed Assets :		
Gross Block (Land at GIDC, Metoda)		2,059,777
Less : Depreciation		
Net Block		<u>2,059,777</u>
4) Incidental Expenditure Pending Capitalisation	4	4,209
		<u>2,063,986</u>
5) Current Assets, Loans & Advances:		
1) Cash & Bank Balance	5	29,840
		<u>29,840</u>
Less : Current Liabilities & Provisions :	6	3,309
Net Current Assets		<u>26,531</u>
6) Miscellaneous Expenditure	7	6,096
[To the extent not written off or adjusted]		
		<u>2,096,613</u>
	8	

**NOTES TO ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
 CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
 PARTNER

RAJKOT, DATED 19th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
 DIRECTOR

SANJAY H. DHAMSANIA  
 DIRECTOR

SCHEDULE - 1	(in Rs.)
SHARE CAPITAL	31.03.2009
AUTHORISED SHARE CAPITAL :	
10,000 Equity Shares of Rs.10/- each	<u>100,000</u>
ISSUED, SUBSCRIBED & PAID-UP :	
10,000 Equity Shares of Rs.10/- each fully paid up	<u>100,000</u>

SCHEDULE - 5	(in Rs.)
CURRENT ASSETS, LOANS & ADVANCES	31.03.2009
CURRENT ASSETS :	
Cash & Bank Balances :	
HDFC Bank	27,040
Cash on Hand	<u>2,800</u>
	<u>29,840</u>

SCHEDULE - 2	(in Rs.)
SECURED LOANS	31.03.2009
GIDC - Loan	449,596
	<u>449,596</u>

SCHEDULE - 6	(in Rs.)
CURRENT LIABILITIES & PROVISIONS	31.03.2009
PROVISIONS :	
Audit Fees	3,309
	<u>3,309</u>

SCHEDULE - 3	(in Rs.)
USECURED LOANS	31.03.2009
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) ( Interest Free)	1,547,017
	<u>1,547,017</u>

SCHEDULE - 7	(in Rs.)
MISCELLANEOUS EXPENDITURE	31.03.2009
[To the extent not written off or adjusted]	
Company Incorporation Expenses	6,096
Less : Written Off	
	<u>6,096</u>

SCHEDULE - 4	(in Rs.)
INCIDENTAL EXPENDITURE PENDING CAPITALISATION	31.03.2009
Audit Fees	3,309
Office Expenses	400
Printing & Stationary Expenses	500
	<u>4,209</u>



## SCHEDULE - 8

## NOTES TO ACCOUNTS

## I. ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

1) FIXED ASSETS:

Fixed assets are capitalized at the acquisition cost including directly attributable cost of bringing the assets to their working conditions for intended use.

2) DEPRECIATION:

No depreciation has been provided in the current accounting year, as the Company does not have any depreciable asset.

3) MISCELLANEOUS EXPENDITURE:

Company formation expenses are not written off in the current year, as the Company has not started commercial operations.

II. The accounts of the company have been prepared for the period of 5 months and 23 days starting from 08/10/2008 to 31/03/2009.

III. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL

IV. Earnings and outgo of foreign exchange. NIL

V. Contingent liabilities not provided for NIL

VI. PAYMENT TO AUDITORS:

Particulars	2008-09
a) Statutory & Tax Audit	3,000
b) Service Tax	309

VII. During the year under review, the Company did not commence commercial operations and therefore no Profit & Loss Account has been prepared. However, as recommended by the Research Committee of the Institute of Chartered Accountants of India in the "Guidance Note on Treatment of Expenditure during construction period" the Company has prepared "Statement of Incidental Expenditure Pending Capitalization" in lieu of Profit & Loss Account. This practice has also been recommended by the Department of Company Affairs, Government of India. The said schedule is prepared in accordance with the disclosure requirements of part of Schedule VI.

VIII. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

IX. Schedule 01 to 08 from an integral part to the Financial Statements and have been authenticated.

## SIGNATURE TO SCHEDULE 01 TO 08

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

ATUL M. KALARIA  
PARTNER

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009

## Balance Sheet abstract and Company's general business profile

a) Registration Details		Application of Funds	
Registration No.	U29309GJ2008PTC055207	Net Fixed Assets	Rs. 20,59,777
Balance Sheet Date	31 <sup>st</sup> March, 2009	Investments	Nil
		Net Current Assets	Rs. 26,531
b) Capital raised during the year		Misc. Expenditure	Rs. 6,096
Public Issue	Nil	Accumulated Losses	Nil
Rights Issue	Nil	d) Performance of the Company	
Bonus	Nil	Total Income	Nil
Private placements	Rs. 1,00,000	Total Expenditure	Nil
		Net Profit before Tax	Nil
c) Position of mobilization and deployment of funds		Net Profit after Tax	Nil
Total Assets	Rs. 20,96,613	Earning per share (in Rs.)	Nil
Total Liabilities	Rs. 20,96,613	Dividend (%)	Nil
Sources of Funds		i. Generic Names of Three principal products/services of Company (as per monetary terms):	
Paid up Capital	Rs. 1,00,000	Item Code No. (ITC Code)	: 852490 02
Reserves and Surplus	Nil	Product Description	: CREATION OF DATABASE
Secured Loans	Rs. 4,49,596		
Unsecured Loans	Rs. 15,47,017		
Deferred Tax Liability	Nil		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,



RAJKOT, Dated 19th June, 2009

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

To,  
The Members,

Your Directors have pleasure in presenting you the **FIRST ANNUAL REPORT** of the Company together with the Audited Statement of Accounts for the year ended **31st MARCH, 2009**.

#### FIANANCIAL PERFORMANCE & OPERATIONS:

The company has not commenced its operations and hence no financial performance is reported for the year under review.

#### DIVIDEND:

The directors do not recommend any dividends.

#### RESPONSIBILITY STATEMENT:

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2009;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis.

#### PARTICULARS OF EMPLOYEES:

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

#### SUBSIDIARY:

Your company is a 100 % subsidiary of Ace Software Exports Limited.

#### AUDITORS:

M/s. KALARIA & SAMPAT, Chartered Accountants, are the first auditors of the company and are due to vacate their office at this Annual General Meeting and are eligible for re-appointment. You are requested to appoint auditors and fix their remuneration.

#### ACKNOWLEDGEMENT:

Your Directors wish to put on paper their appreciation for the staff of the company for their co-operation and efforts.

**FOR & ON BEHALF OF THE BOARD,**

**VIKRAM B. SANGHANI    SANJAY H. DHAMANI**  
DIRECTOR                  DIRECTOR

Rajkot, Dated 19th June, 2009

#### AUDITORS' REPORT

The Members of **JUBILANT EXIM PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **JUBILANT EXIM PRIVATE LIMITED**, as at 31<sup>st</sup> March, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
  - (b) in the case of the Statement of Incidental Expenditure pending capitalization, of the expenses for the year ended on that date.

**For Kalaria & Sampat,**  
Chartered Accountants

**Atul M. Kalaria**  
Partner  
Rajkot, Dated 19<sup>th</sup> June, 2009

Statement on the Companies (Auditor's Report) Order, 2003

To,  
JUBILANT EXIM PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
 (b) Fixed asset comprising of Land has been verified by the management during the year. No material discrepancy was noticed on such verification.  
 (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
 (b) The Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956.

Sr. No.	Name of Related Party	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the financial year Amount (Rs.)
1.	Ace Software Exports Ltd.	15,27,091	15,27,091

- (c) In our opinion, and according to the information and explanations given to us, the loans are interest free and the other terms and conditions are not, *prima facie*, prejudicial to the interest of the Company.  
 (d) There is no stipulation for repayment of the said loan.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In our opinion, and according to the information and explanations given to us, the contract or arrangement that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956, has been so entered.  
 (b) In our opinion, and according to the information and explanations given to us, this contract or arrangement represents purchase of land which appears reasonable.
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.  
 (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion, and according to the information and explanations given to us and on an overall examination, the term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered Accountants

Atul M.Kalaria  
Partner

Rajkot, Dated 19th June, 2009



# Jubilant Exim Private Limited

## BALANCE SHEET AS AT 31ST MARCH, 2009 [Company Incorporated on 12.11.2008]

PARTICULARS	SCHEDULE	(in Rs.) 31.03.2009
<b>I. SOURCES OF FUNDS</b>		
1) Shareholder's Fund :		
a) Share Capital	1	100,000
2) Loan Fund :		
a) Secured Loans	2	470,073
b) Unsecured Loans	3	1,527,091
		<u>2,097,164</u>
<b>II. APPLICATION OF FUNDS</b>		
3) Fixed Assets :		
Gross Block (Land at GIDC, Metoda)		2,060,464
Less : Depreciation		-
Net Block		<u>2,060,464</u>
4) Incidental Expenditure Pending Capitalisation	4	4,209
		<u>2,064,673</u>
5) Current Assets, Loans & Advances:		
1) Cash & Bank Balance	5	29,800
		<u>29,800</u>
Less : Current Liabilities & Provisions :		
Net Current Assets	6	3,309
		<u>26,491</u>
6) Miscellaneous Expenditure [To the extent not written off or adjusted]	7	6,000
		<u>2,097,164</u>
	8	

**NOTES TO ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER

RAJKOT, DATED 19th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

SCHEDULE - 1	(in Rs.)	SCHEDULE - 5	(in Rs.)
<b>SHARE CAPITAL</b>	31.03.2009	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	31.03.2009
<b>AUTHORISED CAPITAL :</b>		<b>CURRENT ASSETS :</b>	
10,000 Equity Shares of Rs.10/- each	<u>100,000</u>	Cash & Bank Balances :	
<b>ISSUED, SUBSCRIBED &amp; PAID-UP :</b>		HDFC Bank	27,000
10,000 Equity Shares of Rs.10/- each fully paid up	<u>100,000</u>	Cash on Hand	<u>2,800</u>
			<u>29,800</u>
			<u>29,800</u>
SCHEDULE - 2	(in Rs.)	SCHEDULE - 6	(in Rs.)
<b>SECURED LOANS</b>	31.03.2009	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	31.03.2009
GIDC - Loan	470,073	<b>PROVISIONS :</b>	
	<u>470,073</u>	Audit Fees	3,309
			<u>3,309</u>
SCHEDULE - 3	(in Rs.)	SCHEDULE - 7	(in Rs.)
<b>UNSECURED LOANS</b>	31.03.2009	<b>MISCELLANEOUS EXPENDITURE</b>	31.03.2009
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) ( Interest Free)	1,527,091	[To the extent not written off or adjusted]	
	<u>1,527,091</u>	Company Incorporation Expenses	6,000
		Less : Written Off	<u>6,000</u>
SCHEDULE - 4	(in Rs.)		
<b>INCIDENTAL EXPENDITURE PENDING CAPITALISATION</b>	31.03.2009		
Audit Fees	3,309		
Office Expenses	400		
Printing & Stationary Expenses	500		
	<u>4,209</u>		





SCHEDULE - 8

NOTES TO ACCOUNTS

I. ACCOUNTING POLICIES:

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

1) FIXED ASSETS:

Fixed assets are capitalized at the acquisition cost including directly attributable cost of bringing the assets to their working conditions for intended use.

2) DEPRECIATION:

No depreciation has been provided in the current accounting year, as the Company does not have any depreciable asset.

3) MISCELLANEOUS EXPENDITURE:

Company formation expenses are not written off in the current year, as the Company has not started commercial operations.

II. The accounts of the company have been prepared for the period of 4 months and 19 days starting from 12/11/2008 to 31/03/2009.

III. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL

IV. Earnings and outgo of foreign exchange. NIL

V. Contingent liabilities not provided for NIL

VI. PAYMENT TO AUDITORS:

Particulars	2008-09
a) Statutory & Tax Audit	3,000
b) Service Tax	309

VII. During the year under review, the Company did not commence commercial operations and therefore no Profit & Loss Account has been prepared. However, as recommended by the Research Committee of the Institute of Chartered Accountants of India in the "Guidance Note on Treatment of Expenditure during construction period" the Company has prepared "Statement of Incidental Expenditure Pending Capitalization" in lieu of Profit & Loss Account. This practice has also been recommended by the Department of Company Affairs, Government of India. The said schedule is prepared in accordance with the disclosure requirements of part of Schedule VI.

VIII. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

IX. Schedule 01 to 08 from an integral part to the Financial Statements and have been authenticated.

SIGNATURE TO SCHEDULE 01 TO 08

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

ATUL M. KALARIA  
PARTNER

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009

Balance Sheet abstract and Company's general business profile

a) Registration Details		Application of Funds	
Registration No.	U52602GJ2008PTC055417	Net Fixed Assets	Rs. 20,60,464
Balance Sheet Date	31 <sup>st</sup> March, 2009.	Investments	NIL
		Net Current Assets	Rs. 26,491
b) Capital raised during the year		Misc. Expenditure	Rs. 6,000
Public Issue	NIL	Accumulated Losses	NIL
Rights Issue	NIL		
Bonus	NIL	d) Performance of the Company	
Private placements	Rs. 1,00,000	Total Income	NIL
		Total Expenditure	NIL
c) Position of mobilization and deployment of funds		Net Profit before Tax	NIL
Total Assets	Rs. 20,97,164	Net Profit after Tax	NIL
Total Liabilities	Rs. 20,97,164	Earning per share (in Rs.)	NIL
		Dividend (%)	NIL
Sources of Funds			
Paid up Capital	Rs. 1,00,000	i. Generic Names of Three principal products/services of Company (as per monetary terms):	
Reserves and Surplus	NIL		
Secured Loans	Rs. 4,70,073	Item Code No. (ITC Code)	: 854231-00
Unsecured Loans	Rs. 15,27,091	Product Description	: ELECTRONIC INTEGRATED CIRCUITS
Deferred Tax Liability	NIL		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009





## Speedwell Engineers Private Limited

### Statement on the Companies (Auditor's Report) Order, 2003

To,  
SPEEDWELL ENGINEERS PRIVATE LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed asset comprising of Land has been verified by the management during the year. No material discrepancy was noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.
- (ii) There was no inventory during the year. Accordingly, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956.

Sr. No.	Name of Related Party	Maximum amount due at any time during the year Amount (Rs.)	Balance due as at the end of the financial year Amount (Rs.)
1.	Ace Software Exports Ltd.	25,42,842	25,42,842

- (c) In our opinion, and according to the information and explanations given to us, the loans are interest free and the other terms and conditions are not, *prima facie*, prejudicial to the interest of the Company.
- (d) There is no stipulation for repayment of the said loan.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In our opinion, and according to the information and explanations given to us, the contract or arrangement that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956, has been so entered.
- (b) In our opinion, and according to the information and explanations given to us, this contract or arrangement represents purchase of land which appears reasonable.
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company is not required to maintain internal audit systems as neither the paid up capital and reserves of the Company exceeds Rs. 50 lacs at the commencement of the financial year nor does it have an average annual turnover exceeding Rs. 5 crore for a period of 3 consecutive financial years immediately preceding the financial year under review.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of operations carried out by the Company.
- (ix) (a) There were no statutory dues including provident fund, investor education and protection fund, income tax, employee state insurance, value added tax, service tax, custom duty, excise duty, cess and any other statutory dues payable by the Company. Accordingly, the provision of clause 4(ix)(a) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (b) There are no statutory dues pending to be deposited on account of disputes pending at various forums.
- (x) The Company has not been registered for a period of more than five years. Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) The Company has not defaulted in repayment of dues to a financial institution. The Company has neither taken any loans from a bank nor has it issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a *chit* fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information & explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion, and according to the information and explanations given to us and on an overall examination, the term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, the Company has not used funds raised on short-term basis for long-term investment. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kalaria & Sampat,  
Chartered Accountants

Atul M. Kalaria  
Partner

Rajkot, Dated 19th June, 2009.



# Speedwell Engineers Private Limited

BALANCE SHEET AS AT 31ST MARCH, 2009

[Company Incorporated on 12.11.2008]

PARTICULARS	SCHEDULE	(in Rs.) 31.03.2009
<b>I. SOURCES OF FUNDS</b>		
1) Shareholder's Fund :		
a) Share Capital	1	100,000
2) Loan Fund :		
a) Secured Loans	2	741,362
b) Unsecured Loans	3	2,542,842
		<u>3,384,204</u>
<b>II. APPLICATION OF FUNDS</b>		
3) Fixed Assets :		
Gross Block (Land at GIDC, Metoda)		3,347,504
Less : Depreciation		<u>          </u>
Net Block		3,347,504
4) Incidental Expenditure Pending Capitalisation	4	4,209
		<u>3,351,713</u>
5) Current Assets, Loans & Advances:		
1) Cash & Bank Balance	5	29,800
		<u>29,800</u>
Less : Current Liabilities & Provisions :	6	3,309
Net Current Assets		<u>26,491</u>
6) Miscellaneous Expenditure	7	6,000
[To the extent not written off or adjusted]		<u>          </u>
		<u>3,384,204</u>
	8	

**NOTES TO ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER

RAJKOT, DATED 19th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

SCHEDULE - 1	(in Rs.)	SCHEDULE - 5	(in Rs.)
SHARE CAPITAL	31.03.2009	CURRENT ASSETS, LOANS & ADVANCES	31.03.2009
AUTHORISED SHARE CAPITAL :		CURRENT ASSETS :	
10,000 Equity Shares of Rs.10/- each	<u>100,000</u>	Cash & Bank Balances :	
ISSUED, SUBSCRIBED & PAID-UP :		HDFC Bank	27,000
10,000 Equity Shares of Rs.10/- each fully paid up	<u>100,000</u>	Cash on Hand	<u>2,800</u>
			<u>29,800</u>
			<u>29,800</u>
SCHEDULE - 2	(in Rs.)	SCHEDULE - 6	(in Rs.)
SECURED LOANS	31.03.2009	CURRENT LIABILITIES & PROVISIONS	31.03.2009
GIDC - Loan	741,362	PROVISIONS :	
	<u>741,362</u>	Audit Fees	3,309
			<u>3,309</u>
SCHEDULE - 3	(in Rs.)	SCHEDULE - 7	(in Rs.)
USECURED LOANS	31.03.2009	MISCELLANEOUS EXPENDITURE	31.03.2009
Inter-corporate Loan from Ace Software Exports Ltd. (Holding Company) ( Interest Free)	2,542,842	[To the extent not written off or adjusted]	
	<u>2,542,842</u>	Company Incorporation Expenses	6,000
		Less : Written Off	<u>          </u>
			<u>6,000</u>
SCHEDULE - 4	(in Rs.)		
INCIDENTAL EXPENDITURE PENDING CAPITALISATION	31.03.2009		
Audit Fees	3,309		
Office Expenses	400		
Printing & Stationary Expenses	500		
	<u>4,209</u>		



**SCHEDULE - 8**

**NOTES TO ACCOUNTS**

**I. ACCOUNTING POLICIES:**

The financial statements have been prepared under the historical cost convention and materially comply with, the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of Companies Act, 1956. The significant accounting policies followed by the Company are as stated below:

1) **FIXED ASSETS:**

Fixed assets are capitalized at the acquisition cost including directly attributable cost of bringing the assets to their working conditions for intended use.

2) **DEPRECIATION:**

No depreciation has been provided in the current accounting year, as the Company does not have any depreciable asset.

3) **MISCELLANEOUS EXPENDITURE:**

Company formation expenses are not written off in the current year, as the Company has not started commercial operations.

II. The accounts of the company have been prepared for the period of 4 months and 19 days starting from 12/11/2008 to 31/03/2009.

III. Estimated amounts of contract remaining to be executed on Capital A/c. & not provided for NIL

IV. Earnings and outgo of foreign exchange. NIL

V. Contingent liabilities not provided for NIL

VI. **PAYMENT TO AUDITORS:**

Particulars	2008-09
a) Statutory & Tax Audit	3,000
b) Service Tax	309

VII. During the year under review, the Company did not commence commercial operations and therefore no Profit & Loss Account has been prepared. However, as recommended by the Research Committee of the Institute of Chartered Accountants of India in the "Guidance Note on Treatment of Expenditure during construction period" the Company has prepared "Statement of Incidental Expenditure Pending Capitalization" in lieu of Profit & Loss Account. This practice has also been recommended by the Department of Company Affairs, Government of India. The said schedule is prepared in accordance with the disclosure requirements of part of Schedule VI.

VIII. According to the opinion of the Management the value of realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

IX. Schedule 01 to 08 from an integral part to the Financial Statements and have been authenticated.

**SIGNATURE TO SCHEDULE 01 TO 08**

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

ATUL M. KALARIA  
PARTNER

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009

**Balance Sheet abstract and Company's general business profile**

<p>a) Registration Details Registration No. <b>U29100GJ2008PTC055413</b> Balance Sheet Date <b>31<sup>st</sup> March, 2009</b></p>	<p>Application of Funds Net Fixed Assets <b>Rs. 33,51,713</b> Investments <b>Nil</b> Net Current Assets <b>Rs. 26,491</b> Misc. Expenditure <b>Rs. 6,000</b> Accumulated Losses <b>Nil</b></p>	
<p>b) Capital raised during the year Public Issue <b>Nil</b> Rights Issue <b>Nil</b> Bonus <b>Nil</b> Private placements <b>Rs. 1,00,000</b></p>	<p>d) Performance of the Company Total Income <b>Nil</b> Total Expenditure <b>Nil</b> Net Profit before Tax <b>Nil</b> Net Profit after Tax <b>Nil</b> Earning per share (in Rs.) <b>Nil</b> Dividend (%) <b>Nil</b></p>	
<p>c) Position of mobilization and deployment of funds Total Assets <b>Rs. 33,84,204</b> Total Liabilities <b>Rs. 33,84,204</b></p>	<p>i. Generic Names of Three principal products/services of Company (as per monetary terms):  Item Code No. (ITC Code) : <b>854231 00</b> Product Description : <b>ELECTRONIC INTEGRATED CIRCUITS</b></p>	
<p>Sources of Funds Paid up Capital <b>Rs. 1,00,000</b> Reserves and Surplus <b>Nil</b> Secured Loans <b>Rs. 7,41,362</b> Unsecured Loans <b>Rs. 25,42,842</b> Deferred Tax Liability <b>Nil</b></p>		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

VIKRAM B. SANGHANI  
DIRECTOR

SANJAY H. DHAMSANIA  
DIRECTOR

RAJKOT, Dated 19th June, 2009



## Auditors' Report on Consolidated Financial Statements

## TO THE BOARD OF DIRECTORS OF ACE SOFTWARE EXPORTS LIMITED

1. We have audited the attached Consolidated Balance Sheet of *Ace Software Exports Limited* ('the Company') and its subsidiaries collectively referred to as 'Group' as at 31<sup>st</sup> March, 2009, and the Consolidated Profit and Loss Account & Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of *Apex Advance Technology Private Limited* whose financial statements reflect total assets and total revenue (as per table below) for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Group, and our opinion is based solely on the reports of other auditors.

Name of Subsidiaries	Total Assets (Rs.)	Total Revenue (Rs.)
Apex Advance Technology Pvt. Ltd.	3,67,33,419	23,63,208

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards 21, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.
5. ***On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:***
  - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31<sup>st</sup> March, 2009;
  - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
  - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiaries for the year then ended.

For Kalaria & Sampat,  
Chartered Accountants

Atul M. Kalaria  
Partner



Rajkot, Dated 30th June 2009

**Ace Software Exports Ltd. - Consolidated**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

(in Rs.)

PARTICULARS	SCHEDULE	31.03.2009	31.03.2008
<b>I. SOURCES OF FUNDS :</b>			
(1) Shareholder's Funds :			
(a) Share Capital	1	46,800,000	46,800,000
(b) Reserves & Surplus	2	85,389,573	106,097,473
(2) Minority Interest / Capital Reserve		504,454	9,305,236
(3) Loan Funds:			
(a) Secured Loans	3	2,861,196	3,338,058
(b) Unsecured Loans			556,261
(4) Deferred Tax Liability		(131,644)	39,489
		<u>135,423,579</u>	<u>166,136,517</u>
<b>II. APPLICATION OF FUNDS :</b>			
(5) Goodwill (on consolidation)		(20,971,711)	6,786,335
(6) Fixed Assets			
Gross Block		75,438,280	74,520,889
Less : Depreciation		39,418,529	39,816,952
Less : Impairment.		7,100,000	7,100,000
Net Block		<u>28,919,752</u>	<u>27,603,937</u>
(7) Incidental Expenditure Pending Capitalisation		21,045	-
		<u>28,940,797</u>	<u>27,603,937</u>
(8) Investments	5	27,484,847	36,886,714
(9) Current Assets, Loans & Advances:			
1) Inventories	6	3,655,803	1,816,335
2) Cash & Bank Balances		5,765,770	7,181,744
3) Loans and Advances		<u>94,857,768</u>	<u>95,180,811</u>
		<u>104,279,341</u>	<u>104,178,890</u>
Less : Current Liabilities & Provisions :			
(a) Current Liabilities	7	2,634,312	2,098,638
(b) Provisions		<u>1,705,671</u>	<u>7,220,721</u>
		<u>4,339,983</u>	<u>9,319,359</u>
Net Current Assets		99,939,358	94,859,531
(10) Miscellaneous Expenditure: [To the extent not written off or adjusted]	8	30,288	-
		<u>135,423,579</u>	<u>166,136,517</u>

**NOTES TO ACCOUNTS**  
AS PER OUR REPORT OF EVEN DATE  
FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER  
RAJKOT, Dated 30th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA      VIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR      JT.MANAGING DIRECTOR

N. I. THOMAS  
COMPANY SECRETARY

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(in Rs.)

PARTICULARS	SCHEDULE	31.03.2009	31.03.2008
<b>I. INCOME :</b>			
Sales & Services	9	26,857,714	30,684,241
Other Income	10	14,591,342	49,001,148
Stock Variance	11	1,839,468	(661,773)
		<u>43,288,524</u>	<u>79,023,616</u>
<b>II. EXPENDITURE :</b>			
Operating Expenses	12	20,604,073	27,423,461
Administrative Expenses	13	14,419,839	15,850,373
Depreciation/Amortization/Impairment Loss (Refer to Note No. III of Notes to Accounts)		1,121,091	10,722,229
		<u>36,145,003</u>	<u>53,996,063</u>
<b>Profit before tax</b>		<b>7,143,521</b>	<b>25,027,553</b>
Less : Provision For Tax			
Current Tax		405,972	3,001,650
Deferred Tax		(171,133)	(2,485,854)
Fringe Benefit Tax		<u>51,375</u>	<u>82,739</u>
<b>Profit after tax</b>		<b>6,857,307</b>	<b>24,429,018</b>
Less : Minority Interest		70,047	5,214,433
<b>Profit after Minority Interest</b>		<b>6,787,260</b>	<b>19,214,585</b>
Add : Profit & Loss Account B/fd. from last year		92,174,414	39,117,986
Excess/(Short) Provision for Income Tax adjusted			(5,337)
Excess provision of earlier year written back		76,906	67,679
Less : Previous year's adjustment		(24,968,519)	-
Add : Excess provision of Dividend and Distribution Tax thereon		397,011	36,517,184
<b>AMOUNT AVAILABLE FOR APPROPRIATION :</b>		<u>74,467,072</u>	<u>94,912,097</u>
Appropriations :			
Dividend @ Rs. 0.50 per equity share of Rs. 10/- each		-	2,340,000
Tax on Proposed Dividend @ 16.995%		-	397,683
Interim Dividend		2,369,573	-
Tax on Interim Dividend @ 16.995%		434,926	-
Transferred to General Reserves		196,061	-
<b>BALANCE CARRIED FORWARD TO BALANCE SHEET</b>		<u>71,466,512</u>	<u>92,174,414</u>
Earning Per Share-Basic and Diluted (Rs.)		1.41	3.99
Weighted average number of shares		4,816,112	4,816,112

**NOTES TO ACCOUNTS**  
AS PER OUR REPORT OF EVEN DATE  
FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER  
RAJKOT, Dated 30th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA      VIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR      JT.MANAGING DIRECTOR

N. I. THOMAS  
COMPANY SECRETARY



**Ace Software Exports Ltd. - Consolidated**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.09**

(Rs. In lakhs)

	31.3.2009	31.3.2008
<b>A. Cashflow from Operating Activities</b>		
Net profit before tax and extraordinary items	72	250
<b>Adjustments for :</b>		
Depreciation & other non cash charges	42	139
Dividend Income	(32)	(25)
Surplus on sale of Investments/Assets (net)	(41)	(384)
Interest Income	(65)	(36)
Interest Expenses	-	-
Excess provision of earlier years	-	3
<b>Operating Profit before working capital changes</b>	<b>(24)</b>	<b>(53)</b>
<b>Adjustments for :</b>		
Trade and other receivables	(92)	(372)
Inventories	(18)	7
Trade Payables	(9)	(73)
Cash generated from Operations	<b>(143)</b>	<b>(491)</b>
Direct taxes paid (net of refunds)	(16)	(14)
Cashflow before extra-ordinary items	(159)	(505)
<b>Net cashflow from operating activities</b>	<b>(159)</b>	<b>(505)</b>
<b>B. Cashflow from investing activities</b>		
Purchase of Fixed Assets	(14)	(16)
Sale of Fixed Assets	137	71
Purchase of Investments	(3)	(120)
Sale of Investments	107	597
Interest Received	65	36
Dividend Income	32	25
<b>Net cash generated/used in investing activities</b>	<b>325</b>	<b>593</b>
<b>C. Cashflow from financing activities</b>		
Repayment of loans	(39)	(5)
Loans received	-	6
Buy back of shares	(21)	(75)
Premium on Buy back of shares	(64)	-
Interest paid	-	-
Payment of Dividend & Distribution Tax thereon	(55)	(30)
<b>Net cash generated/used in financing activities</b>	<b>(180)</b>	<b>(104)</b>
<b>Net increase in cash and cash equivalent</b>	<b>(14)</b>	<b>(16)</b>
<b>Cash and cash equivalent as at 31.3.2008</b>	<b>71</b>	<b>87</b>
<b>(Opening Balance)</b>		
<b>Cash and cash equivalent as at 31.3.2009</b>	<b>57</b>	<b>71</b>
<b>(Closing Balance)</b>		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

RAJKOT, Dated 30th June, 2009

SANJAY H. DHAMSANIA  
JT.MANAGING DIRECTOR

VIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR

**AUDITORS REPORT**

We have examined the above cash flow statement and the same is in accordance with the SEBI requirement and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet covered by our report of even date.

For **KALARIA & SAMPAT**  
Chartered Accountants

**ATUL M. KALARIA**  
PARTNER

RAJKOT, Dated 30th June, 2009





**Ace Software Exports Ltd. - Consolidated**  
**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**

SCHEDULE - 1				SCHEDULE - 2			
(in Rs.)				(in Rs.)			
<b>SHARE CAPITAL</b>	<b>31.03.2009</b>	<b>31.03.2008</b>		<b>RESERVES &amp; SURPLUS</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
<b>AUTHORISED SHARE CAPITAL :</b>				Capital Reserve	675,261	675,261	
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000		Capital Redemption Reserve	10,200,000	10,200,000	
	<u>60,000,000</u>	<u>60,000,000</u>		General Reserve	3,047,798	3,047,798	
<b>ISSUED, SUBSCRIBED &amp; PAID-UP :</b>				Profit & Loss Account	<u>71,466,514</u>	<u>92,174,414</u>	
51,21,726 Equity Shares of Rs. 10/- each fully paid-up.	46,800,000	51,217,260			<u>85,389,573</u>	<u>106,097,473</u>	
Less : Previous Year Bought back 4,41,726 Equity Shares of Rs. 10/- each		4,417,260					
	<u>46,800,000</u>	<u>46,800,000</u>					

**SCHEDULE - 4**

ASSETS HEAD	GROSS BLOCK					DEPRECIATION					IMPAIRMENT			NET BLOCK	
	OPENING BALANCE	ADDI-TIONS	DEDUC-TIONS	DEDUC.ON CESSA-TION OF SUBSI-DIARY	BALANCE	UP TO 31.03.2008	FOR THE YEAR	DEPRE. ADJUST.	DEDUC. ON CESSA-TION OF SUBSI-DIARY	UP TO 31.03.2009	AS ON 31.03.2008	ADDI-TIONS/ ADJUST-MENT	AS ON 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
Lease Hold Land	10,236,846	13,913,239	11,274,748	-	12,875,337	-	-	-	-	-	-	-	-	12,875,337	10,236,846
Office & Residential Premises	12,035,598	140,344	502,600	-	11,673,342	1,926,553	190,276	88,181	-	2,028,648	-	-	-	9,644,694	10,109,045
Computers & Peripherals	31,158,345	90,788	1,141,824	-	30,107,308	28,097,601	289,769	1,134,109	-	27,253,261	1,700,000	-	1,700,000	1,154,047	1,360,744
Furniture & Fixtures	7,802,939	49,150	147,927	-	7,704,162	3,325,060	119,341	147,927	-	3,296,474	2,650,000	-	2,650,000	1,757,687	1,827,878
Office Equipments	9,298,937	68,944	277,875	-	9,089,905	4,713,367	124,979	149,297	-	4,689,049	2,750,000	-	2,750,000	1,650,856	1,835,570
Vehicles	3,988,226	-	-	-	3,988,226	1,754,371	396,726	-	-	2,151,097	-	-	-	1,637,128	2,233,855
	<u>74,520,890</u>	<u>14,262,465</u>	<u>13,345,075</u>	<u>-</u>	<u>75,438,280</u>	<u>39,816,952</u>	<u>1,121,091</u>	<u>1,519,514</u>	<u>-</u>	<u>39,418,529</u>	<u>7,100,000</u>	<u>-</u>	<u>7,100,000</u>	<u>28,919,751</u>	<u>27,603,939</u>
Previous Year	115,496,906	1,616,676	26,765,761	15,826,930	74,520,891	59,676,457	3,622,229	16,694,921	6,786,813	39,816,952	-	7,100,000	7,100,000	27,603,940	55,820,450

SCHEDULE - 5				SCHEDULE - 7			
(in Rs.)				(in Rs.)			
<b>INVESTMENTS</b>	<b>31.03.2009</b>	<b>31.03.2008</b>		<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
<b>A. LONG TERM INVESTMENTS :</b>				<i>Sundry Creditors :</i>			
Trade Investments	1,376,168	1,376,068		For Expenses	1,723,342	1,204,395	
Investments in Mutual Fund Scheme	11,940,114	21,058,219		<i>Others :</i>			
Investments in Bonds & Debentures	7,000,000	7,500,000		Current Liabilities	1,175	1,175	
Investments in Others	7,168,565	6,952,427		Tax Deducted at Sources	148,249	113,661	
	<u>27,484,847</u>	<u>36,886,714</u>		Unclaimed Dividend	761,546	779,407	
				<i>Provisions :</i>			
				For Expenditure	1,089,854	1,270,104	
				For Income Tax	405,972	3,001,650	
				For Fringe Benefit Tax	7,425	12,763	
				For Wealth Tax	202,420	198,521	
				For Dividend	-	2,340,000	
				For Tax on Dividend	-	397,683	
					<u>4,339,983</u>	<u>9,319,359</u>	

SCHEDULE - 6				SCHEDULE - 8			
(in Rs.)				(in Rs.)			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>		<b>MISCELLANEOUS EXPENDITURE</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
<b>CURRENT ASSETS :</b>				[To the extent not written off or adjusted]			
Stock - Finished	3,655,803	1,816,335		Preliminary and Deferred Revenue Expenditure	30,288	-	
[As taken, valued and certified by the Management]				Less : Written off	<u>30,288</u>	<u>-</u>	
Cash and Bank Balances :							
Cash On Hand	499,127	394,465					
Balances with Scheduled Bank :							
Current Accounts	1,597,182	3,099,957					
Dividend Accounts	761,546	779,407					
Deposit Accounts	2,907,915	2,907,915					
<b>LOANS AND ADVANCES :</b>							
(Unsecured & considered good unless otherwise stated)							
(a) Advances to Staff	37,606	39,100					
(c) Advances to Others	53,520,557	55,780,820					
(d) Other Deposits	7,322,471	7,338,384					
(e) Tax Deducted at Sources	649,582	416,722					
(f) Interest Receivables	843,083	809,302					
(g) Advances Recoverable in-cash or in kind or for value to be received	32,446,742	30,748,445					
(h) Pre-paid Expenses	37,727	48,038					
	<u>104,279,341</u>	<u>104,178,890</u>					

SCHEDULE - 9			
(in Rs.)			
<b>SALES &amp; SERVICES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Export Sales	26,857,714	30,684,241	
	<u>26,857,714</u>	<u>30,684,241</u>	

SCHEDULE - 10			
(in Rs.)			
<b>OTHER INCOME</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	
Interest (Net)	6,537,644	4,887,741	
Dividend Income	3,243,938	3,670,827	
Profit on Sale of Investments/Assets	4,469,273	38,359,729	
Profit on Sale of Mutual Fund	1,009	51,717	
Miscellaneous Income	335,000	1,959,233	
Kasar	4,479	71,900	
	<u>14,591,342</u>	<u>49,001,148</u>	



# Ace Software Exports Ltd. - Consolidated

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	SCHEDULE - 11 (in Rs.)		SCHEDULE - 13 (in Rs.)		
<b>STOCK VARIANCE</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	<b>ADMINISTRATIVE EXPENSES</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Closing Stock	3,655,803	1,816,335	Rent, Rates, Taxes and Insurance	852,021	255,565
Less : Opening Stock	<u>1,816,335</u>	<u>2,478,108</u>	Repairs, Replacement & Maintenance	210,715	152,527
	<u><b>1,839,468</b></u>	<u><b>(661,773)</b></u>	Travelling, Conveyance & Vehicle	326,482	1,090,861
			Printing, Stationery, Postage & Xerox	542,147	704,611
			Legal & Professional Charges	1,473,126	769,201
			General Expenses	1,574,027	2,220,491
			Foreign Exchange Fluctuation	-	513,006
			Directors' Remuneration & Allowances	2,730,000	3,000,000
			Books & Periodicals, News Papers	75	375
			Freight / Octroi Expenses	-	35,238
			Electricity Expenses	706,299	1,028,167
			Auditors' Remuneration	33,090	39,326
			Internet Expenses	172,028	216,287
			Loss on Sale of Fixed Assets	204,773	3,217,969
			Diminution in value of investment	3,100,000	-
			Share Buyback Expenses	-	601,496
			Corporate Expenses	2,363,899	2,005,253
			Case Settlement Expenses	10,000	-
				<u><b>14,419,839</b></u>	<u><b>15,850,373</b></u>

### Notes to Accounts and Significant Accounting Policies on Consolidated Financial Statements

#### SCHEDULE - 14

**I. Significant Accounting Policies:**

**01] Basis of consolidation**

The consolidated financial statements of Ace Software Exports Limited and its subsidiaries are prepared under the historical cost convention and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the parent company.

**02] Principles of consolidation:**

The consolidated financial statements include the financial statements of Ace Software Exports Limited and its subsidiaries. These have prepared in accordance with the Accounting Standard 21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The subsidiaries considered in these consolidated financial statements are as under:

Name of Subsidiary	Percentage of Ownership Interest	
	As at 31.03.09	As at 31.03.08
Rajkot Computer Education Pvt. Ltd.	100.00%	100.00%
Jubilant Exim Pvt. Ltd.	100.00%	NIL
Speedwell Engineers Pvt. Ltd.	100.00%	NIL
Cosmos Services Pvt. Ltd.	100.00%	NIL
Citizen Solutions Pvt. Ltd.	100.00%	NIL
Aspire Exim Pvt. Ltd.	100.00%	NIL
Apex Advance Technology Pvt. Ltd.	98.62%	79.75%

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after eliminating inter-company transactions and balances.

The excess of the cost to the company of its investments in the subsidiary companies over its share in the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognized as goodwill.

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the company in the subsidiary companies and further movements, if any, in their share in the equity, subsequent to the date of investments.

**03] Revenue Recognition**

Revenue from the sale of software is recognized when the rendering of services under a contract is completed.

Dividend income is accounted on receipt basis.

Profit /Loss on sale of investment is recognized on sale of investments.

Interest on deployment of surplus funds is recognized using the time-proportion method based on interest rates implicit in the transaction.

**04] Expenditure**

Expenditure is accounted on accrual basis and provision is made for all known liabilities and losses. The company provides for leave encashment in the year of payment.

**05] Employee Benefits:**

Company's contributions paid/payable during the year to Employee State Insurance, Provident Fund and Gratuity are recognized in the Profit and Loss Account as per revised Accounting Standard 15.

**06] Fixed Assets, Intangible Assets & Capital Work-in-Progress**

Fixed assets are capitalized at acquisition cost including directly attributable cost of bringing the assets to their working condition for intended use.

Intangible assets consist of expenses incurred/paid for acquisition of computer software. Capital Work in progress includes assets not ready for use.

**07] Depreciation**

Depreciation is provided by the parent company on Straight Line Method at the rates and manner prescribed in Schedule XIV of the Companies Act, 1956. The Subsidiary Apex Advance Technology Pvt. Ltd. provides depreciation on Written down basis at the rates and manner prescribed in Schedule XIV to the Companies Act, 1956.

No depreciation is provided for the year under review by the 100% subsidiaries as no business activities are carried on.

The consolidated Gross Block & Accumulated Depreciation includes the following:

Name of Subsidiaries	Gross Block (Rs.)	Accumulated Depreciation (Rs.)
Apex Advance Technology Pvt. Ltd.	46,82,338	38,36,433
Jubilant Exim Pvt. Ltd.	20,60,464	Nil
Speedwell Engineers Pvt. Ltd.	33,47,504	Nil
Cosmos Services Pvt. Ltd.	20,59,777	Nil
Citizen Solutions Pvt. Ltd.	27,03,443	Nil
Aspire Exim Pvt. Ltd.	27,04,149	Nil



**08] Investments**

Investments are classified into long term and current investments.

Long-term investments, including Subsidiaries are carried at cost inclusive of all expenses incidental to their acquisition. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

Current investments are stated at lower of cost or fair market value.

The change in carrying amount of current investments, if any, is charged or credited to the profit and loss account as the case maybe.

**09] Inventories**

Inventories are valued only for final products at the rates contained in customers' pro-forma invoice, as the sale is assured under a contract.

**10] Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in which they arise.

Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense.

**11] Provision for Current & Deferred Tax**

**Current Tax:** Provision is made for income tax on yearly basis, under the tax-payable method, based on tax liability, as computed after taking credit for allowances and exemptions.

**Deferred Tax:** Deferred Tax liability or assets is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

**II Buy back of Securities:**

- a) Apex Advanced Technology Pvt. Ltd. has during the year under review, bought back 213475 equity shares of nominal value of Rs.10 each at an average price of Rs. 40 per share.
- b) The nominal value of shares bought back has been reduced from the paid-up share capital. The premium on buy back has been debited to the credit balance of Profit & Loss Account. Thus, to the extent of nominal value of shares bought back, the issued, subscribed and paid-up share capital of the said subsidiary has been reduced by Rs. 21,34,750
- c) In pursuance of Section 77AA of The Companies Act, an amount equal to the nominal value of shares bought back, is transferred to Capital Redemption Reserve from credit balance of Profit and Loss Account.

**III Impairment of Assets:**

At each balance sheet date, the management reviews the carrying amount of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of the useful life.

**IV During the year under review, the company formed five 100% Subsidiaries namely Aspire Exim Pvt. Ltd., Citizen Solutions Pvt. Ltd., Cosmos Services Pvt. Ltd., Speedwell Engineers Pvt. Ltd. and Jubilant Exim Pvt. Ltd. and hence previous year's figures are to be read accordingly.**

**V Segment Information:**

The primary operations of the group fall under a single business segment viz. Export of Computer Software. The 100% subsidiary company Rajkot Computer Education Pvt. Ltd. was engaged in providing IT education. However, this subsidiary has ceased its operations. Further the five new 100% subsidiaries formed during the year under review have not commenced any commercial operations and hence there is no impact in the Profit & Loss account of the Consolidated Financial Statement. The group is engaged in the exports of computer software and has less than 10% of its revenues coming from the domestic market. In view of the above, geographical segment wise is not applicable.

**VI Earning Per Share (EPS) Calculation (basic and diluted):**

Particulars	Unit	2008-2009	2007-2008
a) Amount used as the numerator Profit after Minority Interest	Rs. in Lac	67.87	192.15
b) Weighted average number of equity shares used as the denominator	No.	46,80,000	48,16,112
c) Nominal value of shares	Rs. in Lac	468.00	468.00
d) Earnings per share (Basic)	Rs.	1.45	3.99

**VII Previous year's figures have been regrouped/ rearranged wherever necessary.**

**VIII Schedules 1 to 14 form an integral part to the Financial Statements and have been authenticated.**

AS PER OUR REPORT OF EVEN DATE

FOR KALARIA & SAMPAT,  
CHARTERED ACCOUNTANTS

ATUL M. KALARIA  
PARTNER

RAJKOT, Dated 30th June, 2009

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

SANJAY H. DHAMSANIA  
JT.MANAGING DIRECTOR

VIKRAM B. SANGHANI  
JT.MANAGING DIRECTOR





## **Ace Software Exports Limited**

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